



Daily Report

Central Eurasia

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Daily Report

Central Eurasia

FBIS-SOV-94-190

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NOTICE TO READERS: Effective 1 October, the processing indicators appearing in brackets at the start of each item in this publication will be changed. All new indicators will begin with "FBIS" to make the material more easily identifiable. Some will also indicate whether the item has been translated from the vernacular or transcribed from English.

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**Turkey Beaming Television to Central Asia,
Azerbaijan**

*LD2909163594 Moscow ITAR-TASS in English 1413
GMT 29 Sep 94*

[By ITAR-TASS correspondent Aleksey Yerovchenkov]

[Text] Nicosia September 29 TASS—A television link between Turkey and republics of Central Asia and Azerbaijan is formed with the use of the first Turkish communications satellite Turksat-1b. There was a test a few days ago when Turkish programmes were relayed from the Ankara TV centre to Turksat equipment. The programmes will be beamed via the satellite to Turkmenistan, Uzbekistan, Kazakhstan, Kirgizia [Kyrgyzstan] and Azerbaijan, said a representative of the Turkish postal and telegraph service. Preparation for regular tv broadcasts have already been completed. The same republics will be linked to the Turkish telephone network via the satellite.

Turkish Minister of Transport and Communications Mehmet Kostepen said much hope is pinned on the satellite. It will give a strong impetus to the technology of the "land of Ataturk" ushering in the 21st century. It will bring closer Turkey and Turkic republic of the former USSR which have related cultures, languages and traditions, the minister said.

High Technology Conversion Conference Held

*LD2909104194 Moscow ITAR-TASS in English 0951
GMT 29 Sep 94*

[By ITAR-TASS correspondent Leo Rummyantsev]

[Text] St. Petersburg September 29 TASS—About 100 Russian and foreign entrepreneurs are taking part in a three-day international conference "East-West: Investments, Conversion and Russian High Technologies," which opened in St. Petersburg on Tuesday [27 September]. The conference was organised by the U.N. Organisation for Industrial Development and the Government of the Russian Federation.

It was pointed out that the influx of foreign investments into the Russian economy remains at a low level, in 1992, foreign investments into the Russian economy reached 290 million dollars, in 1993 - 400 million dollars and in 1994, they are expected to be at the level of about one billion dollars, which is much less compared with other countries considered to be active recipients of Russian investments, such as China, Mexico, Argentina, Brazil, Hong Kong.

Russia has offered 103 investment projects in the field of conversion and high technologies to be considered by Western investors. All of these projects were examined by commissions of the U.N. Organisation for Industrial Development and include mutually advantageous proposals in the production of consumer goods, chemical, medical and electronic equipment, cellulose and aircraft equipment.

President of New Central Asian Bank Interviewed
MM2909133994 Moscow PRAVDA in Russian 27 Sep 94 p 2

[Interview with Satybaldy Sazanov, president of the Central Asian Bank for Cooperation and Development, by correspondent Tleuzhan Yesilbayev in Almaty; date not given: "The Som, the Sum, and the Tenge Have Become Friends"]

[Text] Alma-Ata [Almaty]—As people will know, the agreement founding the Central Asian Bank for Cooperation and Development was signed by the presidents of Kazakhstan, Kirghizia [Kyrgyzstan], and Uzbekistan in Alma-Ata at the start of July this year. It could become the prototype for a CIS international bank. Satybaldy Sazanov was recently confirmed as president of the bank by decision of the heads of those states.

[Yesilbayev] The idea of setting up a Central Asian Bank has been in the air for several years now. What, in your view, speeded up the practical implementation of this idea?

[Sazanov] First, it is important to organize normal, multilateral, interstate settlements for trade and other transactions envisaged by government decisions. Second, it is important to provide credit for the three republics' strategic programs and finance facilities of regional significance.

There are a host of other questions concerning, for example, the convertibility of the national currencies—the Kazakh tenge, the Kirghiz som, and the Uzbek sum. After all, the way things are now if someone from Alma-Ata, say, decides to go to Bishkek but doesn't have any Kirghiz som it's a problem to buy that currency in Kazakhstan. You have exactly the same picture in Tashkent, and with the tenge in Bishkek. Our bank intends to set up the exchange of national currencies. We will be opening branches in Tashkent and Bishkek in the very near future.

[Yesilbayev] Satybaldy Sazanovich, clearly the bank which you direct did not appear in a vacuum, did it?

[Sazanov] Alas, we are starting from scratch. Our initial incorporation capital of \$9 million is made up of contributions of equal amounts by the three founders—\$3 million each from Kazakhstan, Kyrgyzstan, and Uzbekistan.

[Yesilbayev] How do you see the Central Asian Bank's prospects?

[Sazanov] It cannot be ruled out that Russia, a large part of whose territory is on the Asian continent, will become a founder member; the same applies to Turkey, Iran, Pakistan, Mongolia, and China.

ITAR-TASS Carries Press Review for 30 Sep
LD3009091294 Moscow ITAR-TASS in English 0629 GMT 30 Sep 94

["Press Review"—ITAR-TASS headline]

[Text] Moscow September 30 TASS—ROSSIYSKAYA GAZETA on Russian President Boris Yeltsin's visit to the United States:

"The time has not yet come to finally assess the results of President Yeltsin's visit to the U.S and his speech at the 49th session of the U.N. General Assembly. But one thing is clear already now: the trip has been unconventional, primarily due to the fact that it was not preceded by an ostentatious publicity drive which was customary before.

"Moscow and Washington focused their efforts on the development of relations which have not yet become those of allies but constitute a kind of partnership...

"Analysts believe that one of the main aims of the Russian president's visit was to win still greater support, not from the U.S. Government but, rather, from U.S. businessmen and financiers. It is precisely private capital investments, not governmental aid, that may become the key to Russia's economic progress".

ROSSIYSKIYE VESTI on the Russian-U.S summit:

"Bill Clinton and Boris Yeltsin met like old friends—this was their fifth meeting in Washington. According to a unanimous appraisal by the visiting side and the hosts, the visit was a fruitful one: new serious cooperation agreements were concluded and a higher degree of mutual understanding was achieved.

"However, this does not mean that the U.S. and Russian leadership now think and act in unison. The existence of differences was recognised (although in a quite diplomatic form) by both Clinton and Yeltsin".

NEZAVISIMAYA GAZETA on Russia's image abroad:

"It is perhaps for the first time over the few years of its existence as an independent and sovereign state, Russia conducted itself so worthily in the international arena. An impressive U.N. address by President Boris Yeltsin was followed by no less vivid talks with the most important partner—Bill Clinton.

"Judging by Moscow's manifest intent to act on a par with the West and the rest of the world, the Washington summit can be compared only with the Naples Group-of-Seven summit and the signing of the Russia-European Union agreement at the Greek island of Kerkira.

"But while at those forums this equality was mainly of declarative nature, this time its effectiveness manifested itself in the concrete results of the summit. One gathers the impression that Yeltsin was pressurising his friend Bill no less strongly as Clinton was putting pressure to bear on his friend Boris".

TRUD on the post-cold-war period:

"There is no doubt that the cold war will not relinquish its positions easily. One will have to squeeze it out bit by bit from the organism of mankind. This is precisely the

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lofty task which has been tackled by the leaders of the two major nuclear powers over the past two days.

"That the cold-war poison still lingers in the minds of some quite influential people is evidenced, for example, by a string of 'confident suppositions' in U.S. news media about Yeltsin's and Clinton's intentions to arrange for a 'second Yalta', that is to divide the world into spheres of influence".

New Daily Newspaper (NOVAYA YEZHED-NEVNAYA GAZETA) on the extension of Russia's most-favoured-nation trading status:

"Timed for Yeltsin's arrival was Clinton's instruction to the effect that henceforth Russia's most-favoured-nation trading status will be extended automatically, i.e. the U.S. Congress will no longer rack its brains as to whether Moscow is worthy of that or not.

"But such a change for the better is already belittled by the magnitude of other changes, against the background of which the fifth Russian-U.S. summit was held. In point of fact, this is the first summit in the post-cold-war period."

KRASNAYA ZVEZDA (Red Star) on Russian-U.S. partnership:

"Anyhow, the Russian-U.S. partnership is assuming a visible outline. At the close of the official part of the visit, the Russian president went to Seattle to visit a factory of the Boeing aerospace corporation and for his third meeting with representatives of the U.S. business community, this time business captains from the U.S. western coast."

NEZAVISIMAYA GAZETA on monthly rating of politicians.

The newspaper reports on the strength of the findings of its monthly opinion poll that the first five leading politicians in September are Boris Yeltsin, Viktor Chernomyrdin, Yuriy Luzhkov, Pavel Grachev, and Oleg Soskovets.

The New Daily Newspaper on Ukraine's nuclear stocks:

"It seems that the divergences of views on the destiny of nuclear weapons between the Ukrainian president and the parliament speaker may bring about Leonid Kuchma's first serious conflict with the parliament, with the 'right' and 'left' political forces, and with western and eastern Ukraine this autumn.

"Over the past three years Ukraine so often changed its views on how it should manage the nuclear weapons inherited from the former Soviet Union and what it intends to do with them and issued so many contradictory and at times diametrically opposite statements on that score that, it seems, it has finally confused not only its immediate neighbours, foreign countries, but itself as well."

IZVESTIYA carries an interview with State Duma Speaker Ivan Rybkin who believes that "nothing extraordinary is expected to happen at the first plenary session. As is customary, the session will begin with a report presented by the speaker, or possibly deputy speaker, who will set out a plan for lawmaking work. A debate will follow and is to end with the plan's being adopted as a basis for future discussion.

Rybkin said the State Duma received a letter signed by several tens of deputies to the Federation Council who suggest that a motion censuring the government be introduced at one of the first plenary sessions of the lower house of parliament.

The speaker is of the opinion that this proposal will hardly find broad support in the Duma. He assured that "the State Duma lacks the bloodthirstiness with regard to the government, which the press writes about."

PRAVDA runs in article by V. Aristov, director of the Institute of Microelectronics Technology and Superpure Substances, who points out that "intellectuals with scientific and technological background clear themselves and come to see things clearly. They may become a good basis for the restoration of statehood in Russia. They must be helped. In order to ensure the survival of sciences and scientists, it is essential to take the country out of the deadlock. The collective reason of all our intelligentsia is needed for that."

Further Reportage on Yeltsin U.S. Visit**Arrives in Washington State**

LD2909191694 Moscow ITAR-TASS in English 1900
GMT 29 Sep 94

[By ITAR-TASS special correspondent Aleksandr Pakhomov]

[Text] Washington September 29 TASS—Russian President Boris Yeltsin arrived on Thursday in Everett, Washington.

On the last day of his visit to the United States, Yeltsin will make a tour of the country's northwestern region, specifically the State of Washington and its economic centre, Seattle whose businessmen were among the first to establish contacts with Russia.

During his short, six-hour trip to the western coast, the Russian president is expected to visit the assembly shop of the Boeing Corporation and to meet the managers of the world's major aircraft-building producer. For this reason, the presidential air-liner landed at Everett's airfield belonging to Boeing.

After that, Yeltsin and other members of the Russian delegation will go by car to Seattle to meet representatives of the western coast's business community. After addressing the gathering, the president is due to take a motor-ship trip about the Elliot Bay and to visit an American family. Then Yeltsin will leave for Russia with a short stop-over in Ireland.

Visits Boeing Assembly Facilities

LD2909215094 Moscow ITAR-TASS in English 2019
GMT 29 Sep 94

[By ITAR-TASS special correspondent Aleksandr Pakhomov]

[Text] Everett September 30 TASS—Russian President Boris Yeltsin arrived late on Thursday morning in Seattle, the final stop in his five-day visit to the United States. Earlier, he had several meetings with President Clinton and addressed the U.N. General Assembly in New York.

Yeltsin landed at Paine field where he was met by Washington State Governor Mike Lowry and Seattle Mayor Norm Rice. The president started his six-hour northwest visit with a tour of Boeing's nearby aircraft assembly facilities.

The huge assembly shop is now working on three models—Boeing-747, Boeing-767 and Boeing-777. Yeltsin examined from inside a Boeing-777 liner that is now been assembled for British Airways, as well as a model of the Alfa international orbital station.

After a 50-minute tour of the facilities, Yeltsin and his entourage of some 20 people met the Boeing management. During the meeting, the president praised the

aircraft-building giant for paving the way to the Russian emerging marketplace for U.S. business circles. He noted Russia was greatly appreciating cooperation with Boeing both in aircraft-building and in space exploration projects. We hope this cooperation will be expanded and stepped up, he said.

Yeltsin 28 Sep Washington Interview

LD2909213394 Moscow Russian Television Network in
Russian 1740 GMT 29 Sep 94

[Interview with President Boris Nikolayevich Yeltsin by RTV correspondent Yuriy Rostov, NTV correspondent P. Orlov, and Ostankino correspondent A. Shkirando in Washington on 28 September—recorded]

[Text] [Rostov] During the first days of your visit we were told several times that it was difficult and complicated to hold talks in America. Was it difficult for you to hold talks with President Clinton?

[Yeltsin] You know, I decided to get rid of this tension right from the start. Instead of the scheduled 30 minutes of face-to-face talks we continued for three hours. And I told him frankly what we—I, and Russia—were dissatisfied with. I spoke to him, of course, calmly and respectfully—well, naturally I would—but nonetheless I made my point. And, you see, he understood that if he began to cross swords with me in some way then our talks would of course be very difficult.

He explained his position on each question and, what is more, he made decisions. For example, on Jackson-Vanik. I said: You promised me personally so many times. A president should not make promises like that; it should be sacred. He should fulfil what he has promised, especially to another president of another great country. So he signed a decision which bypasses Congress, as one might say. He has the right to make a temporary decision to halt the amendment's operation. But how temporary? For as long as he is President. He will make the decision, and that is enough for us. Congress will grow more mature. New elections to Congress are due soon, and I think Congress will later make the decision.

Well, first, when would that be? They could in no way decide. I told him that they had already promised, and he made a decision, you know. Second, there had been attempts to scare one off entering into this commercial organization by a recognition that Russia is in the situation of being an economy in transition. For three years, so to speak, this had been going on and we had been having discussions on this matter. Now, finally, he has made a decision. He is to submit a proposal to Congress and will insist, he says, that Congress adopt it before it goes into recess, and before the elections. That was how it was with this difficulty, which was expected and which was a real one, because I had already been offended by the fact that he promised but has not carried out our understanding, although I would be reproached if I had made a promise and did not fulfil it. There was

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no question of that. You know, if we had started to compare how we are fulfilling the START-I and START-II treaties, we would be keeping to within a couple of missiles of the schedule. [Laughs] We are at present eliminating thousands of missiles and yet we are keeping to within a couple of missiles of the schedule. That is to say, we are proceeding precisely on schedule.

[Orlov] Boris Nikolayevich, during your talks here in Washington, as we understand, success has been achieved in recognizing the equal rights of Russia and the United States...

[Yeltsin, interrupting] That was one of the first conditions.

[Orlov, continuing]...in the economic sphere. You have now managed this. What steps will the presidential administration and the government now take to see that this is a two-way traffic in Russia and that commodities flow both to and from that country on an equal footing with guarantees for Russian businessmen? What actions might there be on the Russian side in this respect?

[Yeltsin] Today we...[pauses] I've already said that while in the United States, including New York, I had a third meeting with business circles today. There have been three different meetings. Today we held a meeting together. We invited three moguls of business on both sides and asked them: What is preventing you from developing business? We gave each of them a chance to speak.

On our side there was Kadannikov, Pak, and Petrov. On their part—well, I can't remember all the names. There was the president of General Motors and two more company presidents. Certainly intelligent people; they very clearly and intelligibly explained what was in their way. I would say that, apart from the shortcomings in our taxation system, they did not mention any other obstacles for investments in Russia. For example, a year or two ago they were saying that there was no political stability, and they were afraid. [sentence as heard] This time there was nothing of the kind.

[Rostov] What will happen to taxes?

[Yeltsin] Well, taxes. Our side's representatives told us what obstacles they came across in the United States of America. The legalization of contracts including an expert examination, which takes a long time—Kadannikov mentioned this. Well, on taxes it was like this. Of course, in 1991 when Russia, as it were, was reborn, we brought this tax system into operation very quickly, and we had somehow to learn to live on a market basis. Therefore, of course, we couldn't get by without making some mistakes. And today's tax system undoubtedly has its errors. Now, a tax code has virtually been prepared. This is a very substantial document which sets out, so to speak, all questions of taxation and eliminates the errors which were made in the system. In addition, based on Clinton's proposal—they have had a

tax system in force for 200 years—it is planned to send a group to the United States to see how things operate with them and to see what is possible and what is not, and to make use of something, in order to make further adjustments. We will present this to the State Duma, and I think that I will be asking Rybkin and Shumeyko to adopt this tax code in the first half of 1995.

[Shkirando] Boris Nikolayevich, I will now move on to a subject which worries many Russians. Of late, especially since the withdrawal of our troops from the Baltic and Germany, in Russia, and not only here, voices have started to be heard saying that the whole policy in this situation—I mean the United States and other Western countries—is directed toward allotting Russia with the position of the losing side in the Cold War. How do you assess Russia's role in the world, in the new world?

[Yeltsin] I don't sense this. Especially since I say that one of the first phrases in our one-to-one meeting was the fact that we do not acknowledge, and I do not acknowledge, that the United States should, as it were, be the leader and the world's main priority. No. Let us tackle things on an equal footing, and jointly. So, on the contrary, it is a very great political gain that we chose to withdraw the troops. And then how are we going to reduce the armed forces from 3 million to 1.5 million? How? That's our first reserve, as it were, which we have used. [sentence as heard] No, certainly not. Come now. We have enough power to...

[Shkirando, interrupting] In other words, we can say that we are keeping the worthy place that...

[Yeltsin, interrupting] Of course.

[Rostov, continuing] ...we must retain?

[Yeltsin] Certainly.

[Rostov] Can that worthy place be retained by troops?

[Shkirando] Of course not. I don't mean...

[Yeltsin, interrupting] Yes. Precisely.

[Orlov] On the subject of what you said about our power, Boris Nikolayevich, returning to your address at the United Nations. When speaking about the arms trade, you said that, in effect, the sale of armaments is now a continuation of the arms race, but in the form of transferring it by market means to the developing countries.

[Yeltsin] Correct.

[Orlov] That's virtually a quote.

[Yeltsin] Yes. I said that.

[Orlov] Moreover, as far as we journalists are aware, Russia is actively trying to deal in weapons and to break into new markets.

[Yeltsin] Yes.

[Orlov] How are they to be reconciled, bearing in mind that vast numbers of our people live by the sale—the creation and the sale—of armaments?

[Yeltsin] I will say that we actually have started to sell weapons, even more than we used to sell, even more. What is the reason for this? Conversion is not proceeding easily and smoothly everywhere. And what is to be done if an enterprise has no choice? It is manufacturing these weapons, especially light ones—firearms and so forth, which countries can buy, as it were. Naturally we do not sell them to aggressors, so to speak, to super extremist states, you understand—we do not sell them to them. But this will gradually decrease. I mentioned this as a principle. The United States, which is also building up arms sales, needs to strive for that too. A struggle is being waged between us for the markets, but since our weapons are better we will definitely oust them from one market after another. But naturally, in the future, when conversion is actually implemented at those enterprises, the sale of weapons will diminish.

[Orlov] Boris Nikolayevich, the United States frequently criticizes Russia for speaking about the special place of the CIS countries in Russia's foreign policy. It is known that the Americans themselves are not shy about having their say, or about acting resolutely when it affects their own interests. For example, the actions in Central America. Was Haiti examined in particular? And in this connection, was this double standard examined in the conversation with Clinton?

[Yeltsin] Certainly. It was examined, and as a matter of principle. For my part, the point was this: The United States cannot tackle any international issue without consulting us. We are two great powers, and we must consult one another, and then either present the issue to the United Nations or else take action. And we came to an agreement on this. After all, even on Haiti, Clinton telephoned me before the operation. He wrote a letter, asking us to take part. Well, I said I don't even know where Haiti is, I'm sorry, and the Russian people are even less likely to. How will they react if we send armed forces to Haiti? No, it is impossible, and I refused, and said we would not take part.

[Orlov] What about the claims they made earlier that we might be acting illegally in the former Soviet republics?

[Yeltsin] We discussed that as well, and reached agreement. First and foremost we fully agreed about Nagorno-Karabakh, that the Americans would only send observers. And they will partially finance it themselves. And that is all; their involvement ends there. The main share will fall to us.

[Rostov] Boris Nikolayevich, when American Presidents go abroad, their reputation is usually enhanced. In Russia the opposite happens at times. Did the fact that many, or some, do not like America—and recently very intensely—affect your talks here in any way?

[Yeltsin] It ill becomes the president of such a great power as Russia to be affected by such emotions. One should carry out these talks very sensibly. Do you understand? Of course, one should take the mood of the people into consideration. It is just some of the people, and it is hard to say whether they are the minority or the majority. I think it is a minority that thinks like this.

Moreover, when at first, about two years ago, we were carried away by America alone, and forgot about Asia, the East, this attitude was very justified. But later we balanced this by the visits to China, Japan, and South Korea. Do you understand? A balance was achieved. And there is no more ground for accusations that Kozyrev is pro-American and deals with America alone. We are dealing with the Near East, Yugoslavia, Bosnia, etcetera.

[Rostov] Thank you.

[Orlov] Boris Nikolayevich, one can say that your visit is now drawing to a close. So with what feelings, on the whole, are you returning home?

[Yeltsin] Yes, you know, I was worried when I arrived here. I was thinking: Will he or won't he be up to such a candid and sincere eyeball-to-eyeball discussion, quite unpleasant on some issues? It was, as it were, a litmus test. I must say he proved to be up to it—even though he was worried, very worried indeed; one could see that from his looks. But he withstood it, and after this we had a good discussion. Therefore, now that we have virtually ended our talks, I am flying to Seattle. I have never been to the west coast of the United States, so I have to see what kind of people they have there, how they work and what they are doing. But most importantly, I want to get to know Boeing. The president of that firm, whom I met for the first time today, will be there.

[Orlov] But on the whole can one say that both sides are pleased with the results of the talks?

[Yeltsin] Yes. Yes. I believe I am ending my stay here in a good mood, I am satisfied, because economic matters in particular have been resolved very well. Agreements have been signed for at least \$2 billion, right here. A major agreement has been signed on Timanopchorskiy, and on a number of other major joint projects. I didn't ask for aid. That's what I said. This time, I haven't come to ask you for aid: Give, give, give. No. Let us cooperate together on an equal, mutually beneficial basis. We will create powerful projects—for example, a joint space station. They can't create it without us, and it would be extremely difficult for us to do it without them. But together we'll create a unique space station, one built to last many years, as it were, to be operated for many years.

[All correspondents] Thank you. Thank you very much.

[Yeltsin] Thank you.

[Unidentified journalist] We congratulate you.

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[Yeltsin] Greetings to all the people of Russia.

[Unidentified journalist] Thank you.

Defense Minister Welcomes 'Highly Successful' Talks

MM2909190094 Moscow KRASNAYA ZVEZDA in Russian 30 Sep 94 pp 1, 3

[Report by Vladimir Kuzar: "Russia-United States: Partnership Really Becoming Practical, Not Declarative. Russo-U.S. Summit Has Ended in Washington"]

[Excerpts] Washington, 29 Sep—The talks in the U.S. capital have come to an end. And, as Boris Yeltsin stated at the final press conference, the Russian and U.S. Presidents agreed "on practically all questions." This was probably difficult, in fact, just as the questions discussed during the summit were difficult. No wonder then that the assembled journalists were so impressed merely by the list of 40 most acute subjects which the Russian president read out. In the international sphere they include foreign policy coordination, the formation of a "G-8," peacemaking and Russia's role in it, NATO and Russia, the creation of a new system of European stability, and the CSCE. [passage omitted]

Boris Yeltsin especially highlighted the accord to the effect that after Russia and the United States have ratified the START-II treaty the sides will begin immediately the dismantling of the warheads which under the treaty was due to begin in 2003. "In that way," the Russian president stressed, "we will save at least seven years, perhaps even more, and will give mankind the hope that our generation will live in peace."

A little later your correspondent asked Boris Yeltsin whether at the talks they had discussed the U.S. intention to make additions to the ABM Treaty which would change its content, and what his attitude to that was.

"We discussed that question," the Russian president replied. "However, it has very complex technical nuances. That is why we handed it over for examination to the standing joint commission. The latter will give us appropriate proposals."

Here is what Army General Pavel Grachev, the Russian defense minister, said at KRASNAYA ZVEZDA's request about the discussion of military questions.

"The talks on the military questions were highly successful. The sides analyzed thoroughly all the problems which we planned to discuss with the exception of the one connected with the ABM issue. The sides adopted mutually acceptable decisions on those questions which will help the further broadening of our cooperation in the military sphere. As for the new Strategic Arms Reduction Treaty, already dubbed START-III in the mass media, we did not examine it in specific terms. It was simply decided to create an expert group for the theoretical study of all of its aspects. I would like to stress that

the actual discussion of such a treaty can take place only after both sides have ratified START-II. [no end quotation marks as published]

Thus the new relationship which has emerged between Russia and the United States is clearly visible in the approaches to security problems. A new relationship whereby, in the president's words, "in some places the United States compromised, in others Russia," but where ultimately everyone gained. This, too, is practical rather than declarative partnership. [passage omitted]

Relations With U.S. Becoming 'More Pragmatic'

LD2909154794 Moscow ITAR-TASS in English 1505 GMT 29 Sep 94

[By ITAR-TASS diplomatic correspondents Vladimir Suprun and Dmitriy Chubarov]

[Text] Moscow September 29 TASS—Russian-U.S. relations of partnership have recently become more pragmatic, Mikhail Demurin, spokesman for the Russian Foreign Ministry, told a briefing here on Thursday.

Commenting on the two days of the Russian-U.S. summit in Washington, Demurin noted the two presidents had agreed that relations between Russia and the United States need "reliability and predictability rather than about-turns."

Speaking about the progress of talks, the spokesman singled out "an important new element" in them, specifically that Yeltsin and Clinton for the first ever time put on the agenda further large-scale reduction in nuclear weapons and measures for higher nuclear safety. Demurin described these agreements, laid down in a joint statement on security issues, as "unprecedented".

Among other important results of the summit, the spokesman cited the joint statement on the goals and principles of trade, economic and investment cooperation between Russia and the United States, called "partnership for economic progress". This document virtually spells the end of "ideologically-motivated trade" and removes the last obstacles inherited from the period of confrontation.

Further on Denial of Yeltsin-Karadzic Meeting

MK3009085094 Moscow SEGODNYA in Russian 30 Sep 94 p 3

[SEGODNYA report under the "Retraction" rubric: "Imaginary Sensation. Boris Yeltsin Made a Mistake but It Is Unknown Whom He Mistook for Karadzic"]

[Text] In a 28 September interview for INTERFAX, a high-ranking Russian Foreign Ministry employee denied reports about Boris Yeltsin meeting with Radovan Karadzic in New York. Karadzic, he said, is staying in his residence in Pale, and no one invited him to New York. The Foreign Ministry official confirmed that Moscow had frozen its contacts with the Bosnian

Serbs. Talking with an ITAK- TASS correspondent the same day, Mikhail Demurin, deputy director of the Russian Federation Foreign Ministry Information and Press Department, stated that "there was no, and could not have been any" meeting of the Russian delegation with Karadzic in New York. "Besides, Karadzic, as far as we know, was not in New York at that time," he added.

The news of Yeltsin meeting with Karadzic was received by us through ITAR-TASS channels. Before leaving New York for Washington, the dispatch says, the president told the journalists that he met at UN headquarters with a number of heads of state and government including Guntis Ulmanis, Violetta Chamorro, and Radovan Karadzic.

A slip of the tongue? Probably. It is strange, however, that the high-ranking Foreign Ministry employee did not wish to be identified by name. It becomes apparent from the texts of the retractions that the Russian Foreign Ministry made inquiries as to Karadzic's whereabouts although Mr. Demurin spoke on this subject less confidently than the anonymous man. One only wonders why the Foreign Ministry did not contact the presidential protocol service to dispel all doubt. One would at least want to know who was the person Boris Yeltsin mistook for Karadzic. Against the backdrop of a rumored split in the presidential team such "Freudian slips" are taken with special suspicion.

Irish Premier Briefs Yeltsin on Peace Efforts

LD3009053294 London PRESS ASSOCIATION in English 0448 GMT 30 Sep 94

[By Chris Parkin, PA News]

[Text] Irish premier Albert Reynolds was today briefing Boris Yeltsin on efforts to bring peace to Ulster. The Russian President stops at Shannon Airport, Co Clare, on his way home to Moscow from a meeting with U.S. President Bill Clinton.

Mr. Reynolds and his cabinet want to encourage continuing international pressure on all parties in Northern Ireland following the IRA ceasefire. And Mr. Yeltsin was expected to endorse the peace process after a working lunch with Mr. Reynolds.

The two leaders were discussing a range of other issues at an hotel near the airport.

Details of Talks Agenda Given

LD2909162194 Moscow ITAR-TASS in English 1407 GMT 29 Sep 94

[By ITAR-TASS special correspondent Vladimir Voronkov]

[Excerpts] Dublin September 29 TASS—[Passage omitted] Next Friday [September 30] the Russian president will stop over in Ireland on the way from the United States where he addressed the session of the

United Nations General Assembly and was on a five-day official visit. [passage omitted]

A representative of the Irish Foreign Ministry told ITAR-TASS that the agenda of the negotiations between Boris Yeltsin and Albert Reynolds will include a broad range of international problems and problems of bilateral cooperation, including trade. The Irish side expects the Russian president to share his impressions from the stay in Great Britain and in the U.S., to outline the further course of diplomatic reform in Russia and sum up the situation in countries of the CIS. The prime minister intends to tell the guest about prospects of peace settlement in Northern Ireland, the spokesman said.

Yeltsin's forthcoming visit to Ireland is a surprise to many. A high-ranking Russian diplomat told ITAR-TASS that staffers of the Russian embassy in Ireland established by chance from a computer chart of flights that the presidential plane will land at Shannon on September 30. They sent requests to Moscow but answers were indefinite. [passage omitted]

After the negotiations in the Dromoland castle the two leaders will give a brief news conference for local and foreign reporters, a representative of the Information Service of the Irish Government told ITAR-TASS. Boris Yeltsin will spend about two hours on Irish land and will then fly home.

Commentary on Yeltsin U.S. Visit

Cited for 'Relaxed Humor'

MM2909163494 Moscow IZVESTIYA in Russian 30 Sep 94 p 1

[Report by Vladimir Nadein: "President Yeltsin Has Opened the Washington Embassy Building Inherited from Gromyko"]

[Text] Washington—The new Soviet embassy building ceremonially opened by President Boris Yeltsin should stifle people's nostalgia. Conceived by the well-known Moscow architect Mikhail Posokhin at the very height of the stagnation era and executed in precise accordance with Andrey Gromyko's notion of beauty, this building is imbued with the spirit of Public Housing Bureau architecture. It is a very large structure, faced in marble, enclosed by a thick wall, and equipped with a special defensive structure outside the front gates similar to a fortress drawbridge which is raised against the foe, yet even so it is still nothing more nor less than a Housing Bureau apartment block.

According to the program of the visit, the ceremonial opening of the embassy by President Yeltsin was supposed to run on smoothly into a reciprocal state lunch—this time not in the White House but on Russian territory.

The Russian Federation greeted its eminent guests in some considerable chaos caused by an everyday matter:

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At the last moment it transpired that some people who should have been on the guest list had been left off while others who had declined the invitation were still on the list. On top of that it was not immediately obvious to everyone who should be admitted through the front entrance.

At the White House dinner there had been an abundance of U.S. journalists, TV stars, musicians, and movie makers. The Russians were represented by some high-ranking bureaucrats.

At the Russian embassy lunch there were more bureaucrats from both sides, with the role of the Russian intelligentsia played successfully by Russian intellectuals who had had the good sense to emigrate to America in the nick of time.

The speeches were dedicated to Russian-U.S. friendship. A certain degree of repetition was inevitable: The visit was virtually over and there had been so many words devoted to businesslike partnership at previous functions that you could only marvel at the inventiveness of the President's speech writers.

The morning of day two began with a meeting on Capitol Hill which was followed by the opening of an exhibition in the Library of Congress. Congressmen showed a polite interest in problems of Russian imperialism while the exhibition in the library, which described the Russian church's humanitarian activity in Alaska, showed yet again something which Russians refuse to accept. Namely, that the Americans did not pick up "our Alaska" for a song; they bought it at a time when they did not need it at all and they did so solely out of respect for the Russian empire.

But the central event of the day was undoubtedly the signing of the joint documents—the main result of the summit. The WASHINGTON POST carried an article on the subject of the word "summit," meaning peak or top, in which it argues that this word should be dropped because meetings between the Russian and American heads of state are becoming "routine diplomacy."

Once again Boris Yeltsin did not ignore the moaners and skeptics. "Even though many people predicted failure," he said, "I have to say sorry to those people and express my regrets to them. We have reached agreement on all questions."

The Russian leader was energetic, lively, and relaxed in his dealings with his audience. Unlike Clinton, who smiled more than he told jokes, Yeltsin made broad use of irony and sarcasm. When an elderly American journalist asked him a question about the use of Russian troops in the "near abroad," he crushed her with a question in return: "What about you, do you get on well with your neighbors?" The poor American did not understand, which made many people laugh even before they heard the translation.

However, the list of agreements achieved proved far more modest.

A joint statement on the development of trade and economic cooperation between the two countries was signed within the framework of the new program "Partnership for Economic Progress." As an important compromise by the U.S. Administration, Russia received a number of concessions when it promised to stop supplying arms to Iran as soon as the commitments undertaken by the Soviet government are fulfilled. Two joint statements were also signed—on nuclear security and the joint fight against crime.

At the lunch in the Russian embassy President Clinton jokingly complained that Boris Yeltsin had completely surpassed him in vigor and humor and had caught the entire attention of the press. Many journalists thought that this comment was more of a joke than a complaint. Most probably, Clinton preferred not to compete with his guest in the particular sphere of relaxed humor where, increasingly often, Boris Nikolayevich finds he has no equal.

Boris Yeltsin spent quite a lot of time informing his interlocutors about the gist of events taking place in Russia. However, the Americans preferred not to comment on delicate topics which are very unpopular in America, such as the proposal to postpone the presidential and parliamentary elections for two years.

Proposals Seen as Overhasty, Moot

MK3009090094 Moscow SEGODNYA in Russian
30 Sep 94 p 1

[Report by Vladimir Abarinov: "Disagreements Behind the Scenes"]

[Text] U.S. officials avoided using the term "summit," preferring to call the Russian-U.S. top level meeting a state visit. They explained that summit is an exceptional event while a state visit is a more or less regular one. The implication was naturally that they did not expect any special "breakthroughs" from Yeltsin's visit. A breakthrough occurred nonetheless: Boris Yeltsin, who in Naples evaded an unequivocal promise to stop selling arms to Iran, this time around assured his counterpart that it will not conclude new contracts. The Americans obviously did not hope for such a stroke of luck. During the first day of negotiations a spokesman for the Washington administration, talking with a REUTER correspondent on conditions of anonymity, said that Clinton would of course raise the Iran problem but it did not seem possible to resolve it before the December CSCE summit in Budapest. Now the Americans are saying the agreement reached is not as good as it could be: Washington apparently does not know the exact terms of the current contract. The doubters received an answer from a high-ranking Russian diplomat in Moscow. His statement to INTERFAX is a masterpiece of sorts. Having repeated, nearly word for word, what was apparently his

own statement made shortly before, the diplomat sought to calm not only the Americans but also the Iranians. The question of severing military-technical cooperation with Iran is not at issue, while Russian deliveries "are not critical."

On other items of the agenda progress is minimal, to put it mildly. This refers in particular to the Bosnian settlement: At any rate, the presidents thought it best not to publicize their resume. Meanwhile the critical date of 15 October, after which Clinton, in accordance with a Congressional decision, is to enforce the lifting of an arms embargo, is approaching fast. True, the Bosnian Government, fearing Serbian retaliation, asked Washington a month ago to postpone the embargo issue until spring, and Albright, U.S. ambassador to the United Nations, has already taken some steps in this direction. Nonetheless the administration cannot ignore Congress' opinion, about which, presumably, Clinton advised Yeltsin. Moscow for its part is hoping for support from Europeans who have already announced that they will pull out their forces from Bosnia in the event the embargo is lifted.

It seems that Boris Yeltsin was hasty with his proposal of further strategic arms cuts. Defense Secretary Perry has just announced that Pentagon experts have completed a 10-month comprehensive analysis of U.S. nuclear sites and come to the conclusion that America should give up the doctrine of "mutual assured destruction" and adopt the doctrine of "guaranteed mutual security" against the eventuality that "irresponsible elements come to power in Moscow." That's something, at least, as they say. Instead of new large-scale reductions the Americans prefer to concentrate on ensuring the security of nuclear arsenals, and call on Russia to do the same. Of course, one cannot ignore this reasonable call.

The journalists who were present in the hall where the presidents' press conference was held noted that ministers from Yeltsin's party reacted quite differently to his jokes: Kozyrev laughed while Pavel Grachev sat with a face of stone. I would not like to draw any far-reaching conclusions from this scene. Who knows why the general was not in a laughing mood.

Commentary on Russian-U.S. Relations

LD3009103594 Moscow Mayak Radio Network in Russian 0630 GMT 30 Sep 94

[Commentary by Vladimir Pasko]

[Text] We have already said that since February 1992, when Russia and the United States adopted a policy of giving their relations the nature of a partnership, all Russian and American summits were essentially subordinated to a single aim—that of identifying areas where their interests coincided. The latest summit is no exception. It resulted in the list of agreements between Russia and the United States being extended by another two important documents. One of them sets out the two

countries' approach to strategic stability in Europe. The second records an understanding by them of the aims and principles of trade and economic cooperation and investment between Russia and the United States.

But this is what I would now like to draw attention to: The main feature of the meeting was, perhaps, the fact that the subject of discussion encompassed the most difficult issues in Russian-American relations—the role of the CSCE, NATO, the rights and possibilities of foreign capital in Russia, Russia's place in the CIS, the retention of nuclear weapons and fissile materials, the arms trade, and so on. A total of 40 questions in all.

It is no secret that in a discussion that preceded the meeting, the sides' representatives expressed very differing views on these problems. Their judgments sometimes seemed diametrically opposed. Nevertheless, during the talks, if the presidents did not manage to find a common language on these questions, they did at least feel their way toward, to sense, some kind of mutually acceptable approaches to them.

President Yeltsin seems to have been able to convince Clinton that Russia's peacekeeping efforts in the post-Soviet era have nothing in common with the imperialist ambitions that are attributed to it. At any rate, Clinton stated the obvious, that Russia has considerable interests as regards what is happening on its borders. As far as Nagorno-Karabakh is concerned—a question that was raised in particular—he said directly that the United States does not object to Russia playing an active part in peacekeeping efforts there.

The presidents reached agreement in principle on controls over exports of advanced technology. The fact that such controls are necessary is obvious, but the point is that restrictions must be lifted from Russia, and Russia itself must implement such controls.

The presidents managed to map out steps to improve the flow of private capital into Russia. Time will show how effective they are. But the sides agreed on the preparation of a special program intended to stimulate the inflow of private capital.

Only part of what was discussed at the meeting has been mentioned. But that is enough to sense the mood of those taking part, and it seems to have been dictated by more than just a subjective approach. It is thought that Russian-American relations in the new century will be largely determined by the political climate in the world. This view is expressed by many political scientists. But, at the latest meeting, it was stated by President Clinton as well. So the mood is dictated by pragmatism.

Success for Moscow, Yeltsin

MK3009091094 Moscow NEZAVISIMAYA GAZETA in Russian 30 Sep 94 p 1

[Report by Dmitriy Gornostayev under the "Russia-U.S." rubric: "Boris Yeltsin Managed To Squeeze the Maximum Out of His Washington Trip"]

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[Excerpts] Probably for the first time in the still few years of its existence as a state has Russia appeared on the international scene in so dignified a manner. An impressive speech by its president, Boris Yeltsin, was followed by just as remarkable talks with his most important partner, Bill Clinton.

In terms of Moscow's manifest determination to pose only as an equal in relations with the West and the rest of the world, the Washington meeting can only be compared with the Naples G-7 summit and the signing of an agreement between the Russian Federation and the EC on the Greek island of Kerkira. But while at those forums equality was largely declaratory in nature, this time its effectiveness manifested itself in the specific results of the summit. One got the impression that Yeltsin pressured his friend Bill just as much, if not more, as Clinton did with respect to his friend Boris.

Proof of this was a candid expose of stances on issues that were touched upon during the summit, but were not officially laid down on paper, which was probably not quite comfortable for the other country whose president was standing on the podium nearby in front of an audience packed with newsmen. At the concluding joint news conference of the Russian-American summit meeting both leaders did not conceal their differences, on fairly serious matters at that.

Indirect evidence proving Yeltsin's ability to defend his stance, which appears to have been demonstrated for the first time at a meeting of such a level, can be seen at least in the following fact. On the eve of and during the two-day meeting, U.S. Secretary of State Warren Christopher and Secretary of Defense William Perry issued statements—the former on the problems of lifting the international embargo on arms deliveries to the Bosnian Government; the latter, on the nuclear security aspect—that indicated at the time that U.S. views were potentially or actually taking precedence over those of Russia. Clinton's statements on the eve of the summit did not instill optimism, either. Yeltsin, however, judging from the results of the talks, managed considerably to improve the balance of forces with regard to these matters. [passage omitted]

On the political side, according to reports from trustworthy sources, the most important agreement was not laid down on paper, but was announced by the presidents for all to hear. As soon as START I goes into force and START II is ratified, the two sides will start formalizing START III, eliminate nuclear warheads, and remove strategic missiles from alert status. [passage omitted]

Kozyakov Comments on Outcome

LD2909224794 Moscow Radio Moscow World Service
in English 1810 GMT 29 Sep 94

[Commentary by Vladislav Kozyakov]

[Text] The two-day Russian-U.S. presidential summit in Washington has resulted in a string of wide-ranging accords. Vladislav Kozyakov has compiled the following.

The two days brought Russia and America even closer to each other with mutual understanding deepened and milestone agreements reached. Once again it became apparent that the two great powers' bilateral links are resounding in the world at large. Amid the global effort to open up the post Cold War phase of international relations, the U.S. and Russia are setting the pace by demonstrating cooperation in various fields.

Taking top priority is nuclear safety. The two presidents were unanimous that implementing earlier agreements to cut strategic arms might be accelerated dramatically. Rather than grinding on for nine years as the START II treaty stipulates, dismantling strategic missiles will dart forward immediately after the treaty is ratified. Fast approaching is the relatively low ceiling of three to 3.5 thousand strategic warheads on each side with the heartening prospect of becoming still lower. Both sides confirmed their intentions to cooperating in eradicating nuclear testing, strengthening nonproliferation safeguards and stemming nuclear smuggling. All this apparently testifies to the strenuous and coordinated efforts on both sides to tackle one of the world's most burning issues.

In the course of the two days, the two presidents repeatedly pointed out the two powers' deepening and ever expanding partnership. Bolstering the claim was their apparent determination to establish equal and mutually beneficial economic cooperation. To pave the way for it they signed a program of partnership for economic progress, setting guidelines for stimulating trade and reciprocal investment. To add to the bargain, there is also an agreement to double the bilateral trade turnover in the two years to come and the billion worth of contract clinched in the summit's business entourage.

What impressed most of all was the summit's friendly and business-like atmosphere. What differences there emerged, concerning say trading with Iran, lifting the arms embargo against the Bosnian Muslims, and from other points that issued, were all considered in search of a compromise. This way the prospects for future agreements were strengthened.

The conclusion to be drawn is that the two powers' relations have reached the level of pragmatic partnership with efforts to reach mutually acceptable accords coming to the fore. Both sides should be equal, both sides' interests should be fully taken into account. It is only this sort of approach that is capable of bearing fruit and furthering the two powers' relations. The Washington summit has once again highlighted these obvious old truths.

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Paper Sums Up 'Routine' Summit

MM2909194594 Moscow ROSSIYSKAYA GAZETA in Russian 30 Sep 94 Weekend Edition p 1

["Own Information" commentary: "Russia-U.S. Dialogue"]

[Text] For us Russians the speech that Boris Yeltsin delivered from the platform of the UN General Assembly session is not without interest. He proposed that the five nuclear powers conclude a new agreement on the further reduction of nuclear missiles and production of fissionable materials for weapons. This initiative is far-reaching because it is Russia's foreign policy strategy line and corresponds not only to its national interests but also to other states' aspirations. Its implementation would make it possible to improve the situation throughout the world and raise a barrier to the proliferation of nuclear weapons.

Through the mouthpiece of Boris Yeltsin, Russia has called for the renunciation of the "dictatorship of the strong over the weak" and banked on partnership, not only among the great powers, furthermore, but in the whole international community, and on the integration of regional structures into a common process of world stabilization. The Russian Federation intends to defend its national interests less through bilateral dialogue than by means of international talks, which in the new conditions could be prepared and backed by the United Nations.

Another important point is that in the speech at the UN General Assembly session the Russian president made it clear that the CIS countries are a sphere of Russia's priority interests. It would be an illusion to believe that all Russia's initiatives were received with acclaim by the international community. For example, official Tokyo categorically refused to give any assessment of Boris Yeltsin's UN General Assembly speech. As for the sphere of Russia's priority interests, Washington, in the words of influential U.S. legislators, "has given a non-committal reaction" because the Clinton administration has "mixed feelings" over this concept.

Problems of the development of bilateral relations and the coordination of the U.S. and Russian approaches to the main questions of international policy were the main theme of the Russian-U.S. top level talks in the White house. It would be wrong to say that the positions of the two countries' leaders were absolutely identical. Of course there are different viewpoints on different questions, but when people want to find a solution to problems they know how to reach agreement.

In fact during their meetings the Presidents discussed over 40 questions. In many spheres, including nuclear policy, the fight against crime and terrorism, and stable economic cooperation, agreement was achieved. To judge from the conclusions of the American commentators, Mars, the god of war, has been replaced by Mercury, the god of commerce, in mutual relations between

Russia and the United States. That is confirmed by the two documents sealed by the signatures of the heads of state: the Joint Statement on Strategic Stability in Europe and the Joint Statement on the Aims and Principles of Trade, Economic Cooperation, and Investment between the Russian Federation and the United States—the "Partnership for Economic Progress."

Commentators believe that one of the main aims of the Russian President's visit was to enlist further support not so much from the U.S. Government as from U.S. businessmen and financiers. That is why this summit meeting was the first which one could venture to call the "Yeltsin-Clinton-Wall Street" summit. Because it is private capital investments and not government assistance which could be the key to Russia's economic development.

At the same time, differences of opinion remain on a number of acute problems between the two states. For example, on Russia's influence in the former republics of the former Soviet Union. The United States wants Russia to agree to participation in peacemaking operations in the troubled or crisis-ridden regions under the auspices of international organizations. Russia believes that its relations with the former Union republics and the fact that the latter are located along its borders give Moscow the right to determine what efforts it should undertake in the sphere of security and peacemaking.

Nor did it escape the commentators' notice that the Pentagon encouraged President Clinton to steer clear of talks on a more significant reduction of nuclear arms. Boris Yeltsin, in their opinion, remains firmly committed to the course of disarmament. And President Clinton "would be wise to join with him in setting a date for the attainment of that goal."

The Russian and U.S. Presidents "agreed on practically all questions," Boris Yeltsin stated at the final press conference on the results of the summit meeting. "In some places the United States compromised, in others Russia, but the most important thing was that we reached agreement for the sake of peace, the sake of all mankind." "Our partnership," he explained, "must be pragmatic, not declarative."

"After the talks with Boris Yeltsin it was obvious that relations between our countries are moving ahead at full speed," Bill Clinton stated (details of the press conference given by the leaders of the two countries are on page three).

The world undoubtedly followed the Russian-U.S. summit attentively. Equally naturally its response was varied. Russian President Boris Yeltsin, according to the French newspaper *LA CROIX*, caught everyone unawares when he proposed concluding a treaty on nuclear security and political stability. He announced the intensification of talks on nuclear disarmament—which will have an impact on the world arms market.

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The Russian president stressed, according to LE MONDE, that the West must show understanding of Russia's foreign policy and economic interests in the CIS countries, especially bearing in mind that the main responsibility for ensuring peace and stability on the former USSR's territory rests on the shoulders of the Russian Federation.

America's praiseworthy attempt to defend Yeltsin's understanding of democracy and his rapprochement with the West, the SUEDEDEUTSCHE ZEITUNG notes, contains the danger that the United States will thereby contribute to the restoration of the empire under a white, blue, and red flag. America also claims the role of peace-keeper in its own region, as in Haiti, for example.

Britain's THE TIMES points out that even though many economic and security agreements were concluded at the Washington summit, the Russian and U.S. presidents still did not manage to reach agreement on the question of lifting the embargo on the supply of arms to the Bosnian Muslims.

President Yeltsin's speech at the UN General Assembly session, TOKYO SHIMBUN writes, is assessed here as a clear Russian claim to the role of a great power making a weighty contribution to ensuring international security, and by no means everyone in Japan reacts to that positively.

In the opinion of Bonn political expert Alexander Rar this was a quite routine summit with nothing historic or sensational about it. Boris Yeltsin was greeted in Washington as one of their men, almost the same greeting as is given to Kohl, Mitterrand, or Major. Clinton tacitly accepted the role that Russia is playing in the near abroad, but with reservations. Indeed, it could not be any other way. The United States is now establishing order in Haiti, so Clinton could hardly speak out against Russia's peacemaking actions in Nagorno-Karabakh, Georgia, Tajikistan, or Moldavia [Moldova]—places where neither the Americans nor the West Europeans want to engage in peacemaking operations themselves.

The results of the Russian president's overseas visit have still to be studied and analyzed not only by U.S. and Russian political experts but also by those from the whole international community who will also assess this event. But even now we can already express our sympathy for those who predicted that the talks would end in failure.

Shots Fired Across Bow of Japanese Ships

LD3009053794 Moscow ITAR-TASS in English 0524
GMT 30 Sep 94

[By ITAR-TASS correspondent Larisa Belcivan]

[Text] Vladivostok September 30—A border patrol ship of the Pacific border district had to fire warning shots

again on the night from Thursday to Friday to deter Japanese high-speed motorboats in the area of south Kurils.

An aggregate of nine Japanese motorboats crossed the state sea frontier of Russia three times during the night, a spokesman at the border district head-office told ITAR-TASS.

All actions of the intruders were of an obviously provocative nature: the boats entered Russian territorial waters literally in front of the border guards, dangerously maneuvered and did not react to signals. Only after the border guards fired several shots into the air from the onboard gun-mount, the Japanese motorboats withdrew to their territory.

Demurin Denies 1992 DPRK Nuclear Tests

LD2909184494 Moscow INTERFAX in English 1724
GMT 29 Sep 94

[Text] An official spokesman for the Russian Foreign Ministry Mikhail Demurin at a Moscow briefing on Thursday categorically denied the claims of the North Korean defector Lee Chung-Kuk that in 1992 North Korea successfully tested three nuclear bombs in Russia and Ukraine.

"This is clearly a groundless invention," Demurin said.

Nigerian Allegations of Aerial Spying Rejected

MM2909134994 Moscow IZVESTIYA in Russian
29 Sep 94 p 3

[Report by Vladimir Mikheyev and Gennadiy Charodeyev: "Nigerians Discover Academician Primakov's Eyes and Ears in Their Skies"]

[Text] There is alarm in the Nigerian counterintelligence community. They have strong suspicions that the Russian aircraft chartered by local businessmen, which have filled African airspace of late, are stuffed full of spy apparatus.

Observers in Lagos hypothesize that either Russian reconnaissance pilots are engaged in surveillance of Nigeria's secret strategic installations or they are keeping an eye on the development of the revolutionary situation in the country. Be that as it may, things have taken a serious turn in the last few days after Aremu Babatunde Yahaya, state secretary of the Federal Executive Council for Transport and Aviation Questions, said that Tu-134's, Yak-40's, and Yak-42's have been declared persona non grata.

Nigeria's private airline, Kargo Air, winced.

Its fleet includes seven of these airliners. A company spokesman recalled that the Transport Ministry itself had licensed it to use Russian aviation equipment.

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Another firm, Okada Air, has widely advertized its intention of bringing another 15 aircraft stamped "Made in Russia" into the country on long-term lease.

In concern the IZVESTIYA editorial office contacted Russian competent organs. There was no response from the Russian Army Main Intelligence Directorate automatic telephone answering service. People at Academician Primakov's Foreign Intelligence Service made a helpless gesture. Their comments boil down to the following: "That is impossible."

The intelligence service press bureau said: "We have never heard of any installations of global military significance on Nigerian territory, ICBM launch silos, secret airfields for strategic bombers, sheltered harbors for underwater missile carriers, etc, for instance."

From what intelligence service representatives said, in no way did it emerge that Moscow is taking anyone's side in the civil confrontation within Nigeria. There is nothing to indicate that rank-and-file special service staffers sympathize with either the local opposition's ousted leader Mr. Abiola or with the people who ousted him.

People in the Russian capital still advocate peace, democracy, social justice, and progress on the African Continent.

Ministries at Odds Over Caspian Oil Deal

MM3009093394 Moscow IZVESTIYA in Russian
29 Sep 94 p 4

[Report by Elmar Guseynov: "Squabble Over Caspian Shelf Illustrates Lack of Coordination in Work of Russian Government Departments"]

[Text] The claims that Russia is opposed to the agreement signed in Baku on the exploitation of oil deposits on the Caspian shelf are untrue. Azerbaijani President Geydar Aliyev stated that last week in Istanbul during a conversation with Turkish journalists.

This statement by the Azerbaijani leader, which is totally at odds with the Russian Foreign Ministry's reaction to the signing of the Baku "contract of the century," demonstrates very well the extremely involved situation that has developed over this agreement.

It is already clear today that we are faced primarily with a clear lack of coordination in the actions of certain Russian organs of state power. I would remind you that the Russian Foreign Ministry, via Grigoriy Karasin, leader of the Press and Information Department, threatened "serious international political consequences" should the project be implemented in its present form.

This harsh reaction on the part of Smolenskaya Square elicited amazement from the Ministry of Fuel and Power Engineering, to put it mildly. A high-ranking staffer from the oil department said that, in the opinion of this ministry's specialists, the 10-percent stake in the project

granted to the Russian oil company "Lukoil" is quite a good result. Particularly when you consider that "British Petroleum," which is bearing the brunt of the financial investment in the project (\$7.5 billion), has a 17-percent stake.

Interesting facts emerged after a telephone call to "Lukoil's" Moscow office. Aleksandr Vasilenko, chief of the company's media relations administration, said that "Lukoil" is operating on the basis of the 23 October 1993 intergovernmental agreement between Russia and Azerbaijan. This agreement specially stipulated "Lukoil's" right to work on the Azerbaijani shelf and even mentioned "Lukoil's" future share of the consortium—10 percent. Russian Foreign Ministry personnel could not be unaware of this intergovernmental agreement.

When in spring 1994 the Russian Foreign Ministry sent a note to the British Government protesting British companies' potential involvement in exploring the shelf without Moscow's consent, "Lukoil" only learned of this after an information leak from Britain's diplomatic department. No one from the Foreign Ministry has ever addressed the company. Therefore this July the leadership of "Lukoil" convened a press conference warning of the impending signing of the agreement. However, even then no measures were taken at government level to settle the situation, so the company's leaders signed the text of the contract.

Interestingly enough, Stanislav Pugach, chief of the Ministry of Fuel and Power Engineering International Cooperation Administration, who had Minister Shafaranik's consent to sign the agreement, was present during this procedure.

It remains only to recall that the Russian state holds 80 percent of "Lukoil's" capital.

At our request, interesting details about the project were provided by the Azerbaijani news agency ASSA-IRADA. Thus Akif Narimanov, a geologist and deputy general director of the Azerbaijani State Oil Company, said that shortly after the breakup of the USSR the Ministry of the Petroleum Industry in Moscow divided up the Caspian shelf deposits.

At the same time five fields (including Livanovo-West, Livanovo-Central, Livanovo-East, and Barinovo fields) were handed over to Turkmenia [Turkmenistan]. Kazakhstan and Russia received one apiece—the Skalistoye-Sea and Inchke-Sea fields respectively. All these oil fields were prospected by Azerbaijani oilmen.

During this shareout Azerbaijan won the right to five fields: Gyuneshli, Chirag, and Azeri—which the consortium is proposing to exploit today—and also the well known Neftyanne Kamni and the newly opened Kyapaz field. Today we publish a map which we also received via ASSA-IRADA channels on which these fields are marked. They are all 30-50 km from the Apsheron coast.

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You can easily see the strangeness of the situation. There is every indication that there are several bilateral and multilateral agreements regulating the effective division of the Caspian shelf which Russian government structures have signed but which the Russian Foreign Ministry either knows nothing about or does not consider valid.

Under these conditions the recent proposal by Shafranik, minister of fuel and power engineering, to create a coordinating council of representatives of the Caspian states to process all projects pertaining to the shelf may evidently prove fairly fruitful. According to the minister, Turkmenia and Kazakhstan have already given their verbal consent to this idea.

However, the fight for the right to build an oil pipeline to carry the Caspian oil is worsening. According to SABAH, Turkey is proposing to run the pipeline through Armenia to the Turkish Mediterranean terminals. The West is not very keen on the idea of an oil pipeline running through unreliable Iran. Ankara categorically rejects the Russian plan to pump the oil across Russian territory to Novorossiysk and then export it through the Bosphorus by tanker. In the opinion of the Turks, were a tanker to be wrecked, it could cause an irreparable catastrophe for the city of Istanbul with its population of 10 million.

If the oil pipeline bypasses Russian territory, this may not only rob our country of many millions in profit but will also considerably reduce its political influence in the Transcaucasus.

Zhirinovskiy Attacks Foreign Ministry

LD2909171594 Moscow INTERFAX in English 1444 GMT 29 Sep 94

[Text] Vladimir Zhirinovskiy, leader of the Liberal Democratic Party of Russia [LDPR] in the State Duma, accused the Russian Foreign Ministry of "unsatisfactory work in protecting Russian parliamentarians."

He was speaking to Interfax Thursday before the Russian Foreign Ministry on Smolenskaya Square where his supporters are picketing. They have organized a protest at the fact that the German Embassy in Moscow refused to issue entry visas to 59 deputies of the LDPR faction who had been invited to Germany by deputies of Bremen's Landtag.

Zhirinovskiy said the Embassy did not explain its rejection. He intends to undertake "adequate measures with respect to German parliamentarians," that is to deny them entry visas to Russia.

Fifteen demonstrators, who have been at the building for two days already, are holding posters condemning the Russian Foreign Minister.

Responding to journalists, Zhirinovskiy said "It is bad that Russia has withdrawn its forces from Latvia. Later on we shall introduce them - who needs these games? Let

them suffer without our troops, we shall shortly stop economic assistance and energy deliveries to Latvia," Zhirinovskiy said.

Foreign Ministry Releases Statement

LD2909221694 Moscow ITAR-TASS World Service in Russian 1510 GMT 29 Sep 94

[By ITAR-TASS diplomatic correspondent]

[Text] Moscow, 29 Sep—At today's briefing for Russian and foreign journalists, an official spokesman for the Foreign Ministry of the Russian Federation made a separate statement on a visit to the ministry by Vladimir Zhirinovskiy. He did not, however, disclose what issues were discussed at the meeting between the leader of the Liberal Democratic Party of Russia (LDPR) and Igor Ivanov, first deputy foreign minister of the Russian Federation.

"On 29 September the Ministry of Foreign Affairs of the Russian Federation was visited by V. Zhirinovskiy, leader of the LDPR faction in the State Duma, accompanied by a group of deputies," the spokesman for the Russian Foreign Ministry said. "At their meeting with I. Ivanov, the LDPR delegation stated their views on certain aspects of the foreign policy of the Russian Federation. Explanations were given on behalf of the ministry's leadership on the questions they raised."

Zhirinovskiy Refused Permission for Direct Flight to Iraq

LD2909210194 Moscow INTERFAX in English 1825 GMT 29 Sep 94

[Text] The U.N. Security Council sanctions committee has not given the parliamentary faction of the Liberal Democratic Party of Russia (LDPR) permission for a direct flight to Baghdad in late October.

State Duma Deputy Speaker Aleksandr Vengerovskiy told INTERFAX that Russian Deputy Foreign Minister Igor Ivanov had informed the faction leadership of the refusal earlier this afternoon.

The LDPR parliamentary faction headed by Vladimir Zhirinovskiy plans to fly to Iraq on October 26. During the visit, Zhirinovskiy is expected to meet Iraqi leader Saddam Husayn.

According to Vengerovskiy, Ivanov warned Zhirinovskiy and his colleagues that their plane might be shot down if it had not got the permission of the U.N. committee. He advised the deputies to go to Baghdad by a traditional route through Jordan.

The LDPR faction believes that in this case the Russian Foreign Ministry must stick to its principles and insist on the Russian deputies' direct flight to the Iraqi capital.

Besides, the LDPR faction criticized Russian diplomats for their passivity when Germany and Norway refused

entry visas to Zhirinovskiy and other LDPR officials. They said Russian consular missions must take adequate measures and not grant Russian visas to parliamentarians of those countries.

Moscow Not To Sign Peace Treaty With Estonia

LD2909175294 Moscow INTERFAX in English 1541 GMT 29 Sep 94

[From the "Diplomatic Panorama" feature: Reports by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov and others]

[Text] Moscow welcomes the Estonian decision to promote friendly relations with Russia but feels that the revision of national frontiers leads nowhere, Russian Foreign Ministry spokesman Mikhail Demurin told newsmen in Moscow Thursday.

In response to a question from Interfax, Demurin said Moscow saw no reason for building friendly relations on the basis of almost a century old "historical documents." "Why not build relations on 18th century agreements?" he said. Earlier, Estonia's Foreign Minister Juri Luik said Russia and Estonia could sign a peace treaty on the basis of the Tartu agreement of 1920.

Under the Tartu, or Yuriyevskiy, agreement, Estonia took hold of a total of 2,000 square kilometers of Russian land. Moscow feels the agreement became null and void the moment Estonia entered the Soviet Union.

Demurin was surprised that Estonia suggested the conclusion of a peace treaty. "The Russian Federation is waging no wars in Europe, including Estonia. Why, then, invite it to sign a peace treaty with Estonia?" he asked.

Moscow Cancels Yakut, ROK Pipeline Agreement

LD2909171194 Moscow INTERFAX in English 1444 GMT 29 Sep 94

[Text] Russia has decided to cancel its signature under a memorandum on feasibility studies into a gas pipeline project from Yakutia to the Far East. The paper was signed by Russia, Yakutia and South Korea.

The decision follows discrepancies between the English and Russian versions of the text, a representative of Russia's Gazprom company told Interfax.

He said the Russian language version makes it clear that "earlier accomplished work" will form a combined stake in the project by Russia and Yakutia. However, these are absent in the English language version giving rise to future claims for further investment by Moscow and Yakutsk.

At the same time, a Yakutian representative said he was still seeing the memorandum as a working paper in spite of the latest setback.

If implemented, the \$20 million (not \$8.5 million as reported earlier) project will enable Yakutia to export an annual 20 to 30 billion cubic meters of natural gas to the Far East.

Middle East Envoys Deny Knowledge of Dudayev Flight

LD2909172694 Moscow ITAR-TASS in English 1709 GMT 29 Sep 94

[By ITAR-TASS correspondent Aleksandr Nechayev]

[Text] Moscow September 29 TASS—Jordan's Ambassador in Moscow Khaldun al-Dhahir said he knew nothing about the alleged flight of Chechen President Dzhokhar Dudayev to his country.

"You are the first to tell me this news", he told TASS on Thursday.

The ambassador declined to answer whether Jordan would accept Dudayev in case he suddenly arrived in the country. "No comments", he said.

The embassy's First Secretary Saleh Jawarneh told TASS Dudayev had never applied for a visa to Jordan.

The Temporary Council, one of Chechnya's opposition groupings, released a report on Thursday, saying Dudayev had fled the country for either Libya or Jordan.

Libya's Ambassador in Moscow 'Husni Sha'ban told TASS he had no information either.

Libyan Ambassador Comments

LD2909152894 Moscow ITAR-TASS in English 1508 GMT 29 Sep 94

[By ITAR-TASS correspondent Aleksandr Nechayev]

[Text] Moscow September 29 TASS—Libyan Ambassador in Russia 'Husni Sha'ban knows nothing about an alleged fleeing of Chechen President Dzhokhar Dudayev to his country and believes Tripoli has no reasons to accept him.

"Dudayev can go to any place he wants, but it is another question whether he is accepted there. I see no reasons to accept him", the ambassador told TASS on Thursday and added that he does not believe the report on Dudayev's escape.

The report of the opposition Provisional Council of Chechnya was rejected by Chechen Vice-President Zelimkhan Yandarbiyev who informed TASS through his aide that Dudayev is chairing a routine meeting. However, the Provisional Council insists that it possesses reliable information that Dudayev had fled.

Despite the fact that the Grozny television and radio are broadcasting Dudayev's speeches, rumours widely spread in the city that the president had left the republic.

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All attempts of TASS correspondents to contact Dudayev personally have failed so far.

Official Rules Out Break in Military Contacts With Iran

LD2909162894 Moscow INTERFAX in English 1444
GMT 29 Sep 94

[Text] A top Russian Foreign Ministry official rules out a rupture of Russia's military and technical contacts with Iran. "This cooperation is not extensive, nor does it threaten regional stability," he said in an interview with Interfax Thursday.

He said "live" ammunition had not been shipped to Iran over the last few years.

"Three diesel submarines are the only exception. They were supplied to Iran as part of earlier concluded contracts and don't change the situation. Besides, there is yet another old contract on armored vehicles production now in effect. As for new military contracts, proposals on their conclusion have not come from the Iranian side," the diplomat said.

He said that the American Government is excessively irritated by any ties with Iran, especially military and technical contacts.

He added that American companies actively cooperate with Iran through mediators.

The diplomat said Russia wants constructive relations and will avoid any awkward steps that might complicate them.

Arms Traders Say Export Prospects Looking Up

MK2909091094 Moscow SEGODNYA in Russian
29 Sep 94 p 2

[Report by Pavel Felgengauer under the "Trade" rubric: "Russian Arms Export on the Upswing, Which Is Why Arms Manufacturers Demand State Subsidies"]

[Text] Confidence that Russia has finally overcome the 1991-1993 arms trade depression was voiced in yesterday's joint press conference by chiefs of the "Rosvooruzheniye" State Company, the main exporter of Russian military hardware; and the State Committee for the Defense Industry, devoted to a whole series of international military shows in Greece, Bulgaria, and Slovakia. Three years after Iraq's defeat, it has become possible to make Russian weapons fashionable again to some degree.

According to information revealed to SEGODNYA confidentially but from an official state source, Russian arms exports in 1992 were worth \$2.329 billion; in 1993, \$2.504 billion. The "Rosvooruzheniye" forecast for 1994 is \$3.4 billion; between \$5 billion and \$6 billion for 1995, considering the contracts signed with India, Malaysia, and Kuwait. Should it be possible to restart

export to Libya and Iraq, Russia would be able to reach an export level comparable with the best years of the Soviet military-industrial complex: \$12-\$15 billion.

"These revenues would, of course, not be enough for the upkeep of our entire military-industrial complex. The Defense Ministry will always be the main customer. But arms trade can seriously bolster the defense industry," stated Sergey Oslikovskiy, "Rosvooruzheniye" deputy general director.

Russian arms merchants quite sharply accused the United States of extremely unethical behavior on the world arms market. As soon as our merchants manage a business contact somewhere, the Americans launch a campaign of disinformation, political pressure, attempts at dumping, and plain bribing of local rulers and shaykhs in order to keep the market. "Our success in concluding the latest contracts with Kuwait and Malaysia is attributable to 'failures' of President Clinton's new, little-experienced administration," Sergey Oslikovskiy stated.

Today's Russia lacks both the American political weight and the funds to subsidize arms export at dumping prices. Hopes that the Foreign Ministry will be able in the foreseeable future to get sanctions against Libya and Iraq lifted are illusory. "To come to terms" with the Americans will hardly pan out, and there perhaps will be no export boom. More so because the United States, as Western diplomats claim, makes no exceptions even for its NATO allies.

Text of Denial of Tank Transfer to Turkey

MM2909095194 Moscow KRASNAYA ZVEZDA in
Russian 28 Sep 94 p 1

[Statement by the Russian Defense Ministry Information and Press Directorate under "KRASNAYA ZVEZDA and Telegraph Agency Correspondents Report" rubric; date, place not given: "Concerning the Latest MOSKOVSKIY KOMSOMOLETS Sensation"]

[Text] Journalists' noble desire to establish the truth cannot fail to arouse the sympathies of every honest person. But sometimes certain journalists' emotion and undoubted bias prevail over objectivity. Rumors and conjectures make up for the lack of convincing documents or reliable facts. Practically the same "sensations" and the same accusations flit from article to article.

MOSKOVSKIY KOMSOMOLETS has had particular success in this. Unfortunately this newspaper's authors do not deem it necessary to check the information coming into their possession but immediately splash it all over the newspaper. The latest item entitled "And We Are Showering Them With Tanks" (No. 187 of 27 September) is no exception. The absurdity of the author's accusations are apparent to any person who has the slightest knowledge of military matters. The journalist reports that some time ago, as a result of a strange agreement between the Defense Ministry and Turkey,

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the Western Group of Forces TRANSFERRED AROUND SIXTEEN THOUSAND FIVE HUNDRED TANKS to that state.

This claim does not correspond to the facts. The Western Group of Forces has never had this number of tanks. The greatest number of tanks in this group of forces was in January 1989 and totaled EIGHT THOUSAND AND FIFTY-FIVE TANKS. All of them were withdrawn to former USSR, and then Russian, territory. Not a single tank was sold, let alone donated.

By knowingly publishing false information about 16,500 tanks allegedly given to Turkey, the editorial office is encroaching on the sphere of interstate relations and undermining Russia's standing in the eyes of the world community.

German Services Blamed for Plutonium Scandal

LD2809130794 Moscow ITAR-TASS World Service in Russian 1101 GMT 28 Sep 94

[By ITAR-TASS correspondent Veronika Romanenkova]

[Text] Moscow, 28 Sep—It is more than likely that the nuclear fuel plutonium—a sample of which was confiscated at Munich airport at the end of August—as well as the stolen radioactive material discovered in Germany in May this year have been produced in Germany itself.

This information, the ITAR-TASS correspondent learned from a well-informed source, had probably been released by the IAEA [International Atomic Energy Agency] in Vienna to the circles arranging Russian President Boris Yeltsin's trip to the United States. Moreover, the towns of Wackersdorf and Alke were named as the likeliest places where the materials had been manufactured.

Thus, the view of the Russian Atomic Energy Ministry that the international scandal waged around these incidents were initiated by German special services has been confirmed. It is possible that the samples of the radioactive materials were deliberately sent to Russia and then returned to Germany. Let us recall that at that time Russia was named unequivocally as the place where the nuclear materials had been manufactured. This called into question the reliability of the control, protection, and stock-taking of nuclear materials in Russia.

Gazprom Signs Credit Agreement With Germany

LD2909223894 Moscow ITAR-TASS World Service in Russian 1414 GMT 29 Sep 94

[By ITAR-TASS correspondent Gennadiy Kulbitskiy]

[Text] Frankfurt-am-Main, 29 Sep—An agreement, whereby a consortium of FRG banks will provide Gazprom with targeted credit worth DM [German mark] 1 billion, intended to fund the building of a gas and chemical complex in Siberia's Novyy Urengoy, was

signed today in this "city of bankers." It was signed by Rem Vyakhirev, chairman of the Gazprom Board, and by representatives of the Dresdner Bank-led consortium of banks.

Specifically, the credit will be used to finance the order that was won on Wednesday by the German firm Linde, a leading producer in the FRG of gas-processing equipment, as well as supplies of equipment from Germany's Salzgutter concern. After many years of negotiation, Linde was today given the order to build an enterprise at Novyy Urengoy (Siberia) to process the associated gas that accompanies oil recovery. Previously the gas was burnt off.

But now, once the new plant is built, every year 1.3 billion cubic meters of natural gas will be extracted from it and 340,000 tonnes of polyethylene will be produced. The gas extracted will be exported to Western Europe. The start-up of the gas-processing plant at Novyy Urengoy is scheduled for the end of 1998.

The agreement for Linde's construction of the plant in Siberia was signed in the German town of Wiesbaden (Hessen) by the heads of the Russian concern Gazprom and the firm Linde. The order is worth DM600 million. Gazprom has authorized the German firm to develop the engineering technology, supply all the equipment, and monitor its assembly and start-up.

The plant will be only part of the gas and chemical complex, during the construction of which Gazprom will be given consultative assistance by one of the FRG's largest chemical concerns, BASF.

Nuclear Arms Reduction is Foreign Policy Strategy

LD2809111894 Moscow ITAR-TASS in English 1045 GMT 28 Sep 94

[By ITAR-TASS correspondent Anatoliy Yurkin]

[Text] Moscow September 28 TASS—A new treaty of the five nuclear nations on further cuts in the production of missiles and weapon-grade fissionable materials, which President Boris Yeltsin advanced at the 49th session of the U.N. General Assembly, is Russia's foreign-policy strategy, ITAR-TASS was told today by Boris Zhelezov, an official of the Center for National Security and International Relations.

The expert said the president's proposal to draw the "treaty on nuclear security and strategic stability" would meet national interests of Russia and other states. The treaty might project nuclear ammunition destruction, reduction of strategic carriers and cessation of fissionable material production. Security would be improved worldwide and the spread of nuclear weapons blocked by pursuing these programmes.

Yeltsin's bold proposal that Great Britain, France and China join the nuclear disarmament process indicates Russia's quest for more reliable control of nuclear weapons, the scientist said.

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Zhelezov said those and other countries would be invited to discuss the nuclear issues. The expert said an international agreement on termless prolongation of the nuclear non-proliferation treaty was likely to be signed in April 1995 and an agreement on comprehensive nuclear test ban in the end of that year.

Treaty With Ukraine Must Include Citizenship Clause

LD2909085294 Moscow ITAR-TASS World Service in Russian 1435 GMT 28 Sep 94

[By ITAR-TASS correspondents Viktor Demidenko, Mikhail Melnik]

[Text] Kiev, 28 Sep—The clause on dual citizenship represents Russia's fundamental line, not only in respect of Ukraine, but also as regards the other CIS countries. The Russian side will therefore be insisting that this clause is included in the Ukrainian-Russian Treaty on Friendship, Cooperation, and Partnership, Dmitriy Ryurikov, aide to the Russian president told ITAR-TASS today prior to returning to Moscow from Kiev, where he has been looking at the preparations for Boris Yeltsin's official visit to Ukraine.

In his view, the clause on dual citizenship reinforces legal protection for those individuals who did not want to break off their ties with Russia and offers them extra guarantees.

The Ukrainian side, Ryurikov said, has not yet given a clear response to Russia's wish. There are disputed issues on other aspects, too. However, according to him, these cannot have a material effect on elaboration of the treaty.

On the issue of who comes under whose sphere of interest, Ryurikov emphasized that both states have a reciprocal interest. He also noted that this term should not be understood in a negative sense. We are not talking about one side forcing its will on the other, but about

perfectly natural, economic, humanitarian, and human interests, the interests of cooperating on foreign policy and security, Ryurikov said. We would like to see our relations in clear terms so that other states cannot try to drive a wedge between our countries and peoples.

Ryurikov also said that the Ukrainian authorities had a high opinion of the new initiatives from Russia announced in Yeltsin's address to the 49th session of the UN General Assembly.

Government May Exchange Tanks for Food From Brazil

LD2909104294 Moscow ITAR-TASS in English 0915 GMT 29 Sep 94

[By BUSINESS-TASS]

[Text] Moscow September 29 TASS—The Russian "Rosvooruzhenie" weapons trading company changed its position regarding a possible arms deal with Brazil and said it may accept the Brazilian proposal to pay for 300 Russian T-72 tanks with food only in case the producer of the tanks agrees to the barter deal.

"The Russian Government will accept a partial payment for shipments with food only in case the producer agrees to the mixed payment," First Deputy Director General of "Rosvooruzheniye" Valeriy Tretyak told BUSINESS-TASS on Thursday.

A delegation of the Brazilian military visited the Omsk enterprise in Siberia which produces the tanks last week and proposed to swap 300 armoured vehicles for food.

The "Rosvooruzheniye" rejected the offer at first and the Brazilians disrupted the talks and left for consultations with their government.

"The Brazilians liked the T-72 tanks and talks will continue after their government adopts a decision," Tretyak said.

Political Issues**Yeltsin To Propose New Legislation to Duma***LD2909164394 Moscow ITAR-TASS in English 1436 GMT 29 Sep 94*

[By ITAR-TASS correspondent Pavel Kuznetsov]

[Text] Moscow September 29 TASS—Russian President Boris Yeltsin is expected to move several packages of bills as a legislative proposal during the State Duma's autumn session, the president's representative in parliament, Aleksandr Yakovlev, told a news conference on Thursday.

The first package consists of draft laws "On Elections of the Russian President", "On a Procedure for Forming the Federation Council", "On Elections to the State Duma" and "On Referendums". According to Yakovlev, "the fact of elections proves to the existence of democracy in the country, and these documents are designed to add substance to it".

Another package groups draft laws "On the Russian Government", "On Federal Bodies of State Government in the Russian Federation", draft laws on general principles of government at the level of Russia's component republics, as well on the division of jurisdiction and delegation of powers between federal authorities and regions. This package also includes bills on general principles of local government and on public service.

The package of bills on judicial reform comprises a draft law "On the Russian Judicial System", on prosecutors, on the bar, on the Supreme Court and on judges of the peace.

The economic package will consist of draft laws on amendments to the law on competition, "On Securities and Stock Exchanges", "On the Banking System" and "On Concessions".

Commenting on the proposals for early presidential and parliamentary elections, Yakovlev stressed he "is a strong opponent of anything done before or behind the schedule". The Constitution establishes specific dates, and "they should be strictly observed", he said.

Conflict Among Yeltsin's Aides Denied*LD2909183394 Moscow INTERFAX in English 1724 GMT 29 Sep 94*

[Text] The foreign policy advisor of the Russian president Dmitriy Ryurikov has denied press reports about conflicts in Yeltsin's inner circle and a group of aides falling in disgrace. At a Thursday briefing in the Kremlin he said he felt no ill feelings against himself or any of his colleagues in the president's inner circle.

Ryurikov did not quite understand where the idea of disfavor came from. He felt that his job of organizing the visit of the head of state to Ukraine was no indication of

losing favor, but a honorary and important task. He was deeply satisfied with what he had achieved in Kiev.

On relations within the presidential team Ryurikov admitted there can be disagreement between professionals on some acute and complicated matters. But to conclude that such debates can lead to disfavor is simply wrong in Ryurikov's opinion. "Differences are a normal thing. Our opinions and the ideas of the president do not always coincide," the aide said.

In his opinion, Yeltsin's visit to the USA is proceeding according to the plan made in Moscow. He singled out the high degree of frankness during the meetings of Yeltsin and Clinton which has allowed them to reach the main objective of the summit. According to Ryurikov, sides compared views and found they saw eye to eye.

Answering a question from Interfax about Russia's attitude to military cooperation with Iran, the presidential aide said Russia would stand by all the agreements signed with that country in the past while new ones should be studied very carefully.

He told the Kremlin briefing that Russia should respond to suggestions of continuing defence cooperation with Iran proceeding from its own interests, i.e. interests of arms trade as well as of peace and security in every part of the world.

Khlystun Resignation Story Viewed*MM2909094794 Moscow IZVESTIYA in Russian 28 Sep 94 p 1*

[Report by Yelena Yakovleva: "Why Khlystun?.."]

[Text] The news that Viktor Khlystun, minister of agriculture and food, is resigning was a "bolt from the blue," according to a ministry staffer.

The minister himself is attending the conference of European agriculture ministers in Poland. In all probability, the announcement of his resignation will be news to him, too. The news has not been confirmed by his deputies, secretaries, the omniscient administrator of affairs, or members of the staff of Vice Premier Aleksandr Zaveryukha, who deals with agricultural problems.

Meanwhile, rumors of Khlystun's resignation abound and demands for his resignation are not unexpected. In the words of one staffer of the Ministry of Agriculture and Food, when Aleksandr Nazarchuk, head of the agrarian faction in the State Duma, delivered a speech in Novosibirsk recently he called for the minister's resignation, although he did then state that this was his personal opinion as leader of the Agrarian Party. At a session of the Ministry of Agriculture and Food collegium in Kaluga the leaders of the Agrarian Party again put pressure on Khlystun: Either join our party or leave your ministerial post.

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Viktor Khlystun is quite an awkward figure for the conservative and extremist wing of the Agrarians. This is due primarily to the fact that the minister finds the reform more interesting and important than altruistic and overt lobbying.

But Khlystun's resignation, the dream of Vasilii Starodubtsev (Agrarian Union) and Mikhail Lapshin (Agrarian Party), the leaders of the agrarian factions in the two chambers of parliament, is bound to scare politicians of a less conservative and extremist frame of mind. It would indecently "expose" the scant interest of the rural functionaries in the agrarian reform and their great interest in obtaining cash.

The resignation rumors are grounds for recalling the minister's "political origins." He is an academic and a doctor of sciences, he used to teach at the Moscow Institute of Land Management Engineers, and is one of the country's leading specialists on the history of land relations. He drafted Russia's first land laws. When Gaydar's government was being formed the president asked him to take the post of agriculture minister. He is clever and intelligent and generates interesting pro-reform ideas. As a political figure Khlystun was "neither with the reds nor the whites." His reputation is not that of an extreme radical, even less that of a conservative. But in all likelihood that stance will not increase the minister's political durability in today's situation.

Social Accord Treaty Implementation Anticipated

MM2909122994 Moscow ROSSIYSKIYE VESTI in
Russian 29 Sep 94 p 1

[Report by Lyubov Tsukanova: "More Participants in Accord Treaty"]

[Text] Anatoliy Kruglyak, a representative of the Kemerovo Oblast legislative assembly, signed the Social Accord Treaty Tuesday at a session of the conciliation commission on the implementation of this document. This decision was made by a majority of the deputies in the oblast's representative organ, despite active opposition from their chairman, Aman Tuleyev. A few days before this a social accord treaty between political forces, public organizations, and organs of power in this mining area was signed in Kemerovo, also after a long political battle. Viktor Andreyev, a representative of the Commission for Security Issues forming part of the Russian Federation president's Public Chamber, noted that, largely thanks to the activity of oblast administration head Mikhail Kislyuk, there has been a notable move away from rallies and strikes toward the resolution of specific socioeconomic tasks. As for the conflict between the leaders of executive and representative power in the oblast, in the opinion of members of the conciliation commission it should be resolved on the spot by involving influential sociopolitical forces from the Kuzbass.

The fall will be a period of active work by "roundtables," which plan to discuss the most acute issues arising in the

course of the implementation of the Social Accord Treaty. State Duma Deputy Georgiy Bondarev has reported that the working group on the question of compensation for devalued deposits has discussed conceptual approaches to the resolution of this acute social problem. The group members and experts agree that simple indexation of deposits could prompt a gigantic new spiral of inflation. Consequently, only a very small proportion of the population—the elderly and the disabled—can expect "cash" compensation, and even then not simultaneously. The most likely means of compensation is to use some of the state property submitted for post-voucher privatization. As regards the form of payment it is planned either to open personally registered [imennoy] privatization accounts or to issue bonds. One compensation option would be to use reserve lands. So far, Georgiy Bondarev noted, the working group has not received the proper assistance from the State Committee for the Management of State Property, but it is cooperating fruitfully with the Russian Federation Committee for Land Resources and Land Management.

The Commission for Socioeconomic Problems, according to a report from its representative Mark Masarskiy, is working on a tax policy concept. Two approaches are competing in this area—our traditional fiscal "confiscatory" approach—which, in Mark Masarskiy's opinion, provokes passive economic behavior—and a fundamentally new approach aimed at stimulating production and stepping up investment activity. There can be no easy solution, since there is a conflict of interests in this area. A "roundtable" on this problem is scheduled for mid-October.

The "roundtable" planned for mid-October devoted to the actions of opposition parties under the conditions of the Social Accord Treaty promises to be difficult. The "Volskiy Commission" on political stability is also planning to hold "roundtables" before the end of the year on the activity of the mass media in the context of the treaty and on the cooperation between the president's apparatus and government structures with social organizations. Arkadiy Volskiy noted, in particular, that new difficulties have emerged with the registration of political parties. The Russian Federation Justice Ministry's internal instructions require "those registering" to submit full lists of their party members with their addresses, date of birth, and personal signature ("). This practice violates generally accepted international norms and creates considerable difficulties in developing the multiparty system in the country.

We would note that such "private" issues arise at each session of the conciliation commission. It is an unwritten rule that its participants are informed about all approaches and proposals received, including on local conflicts, whose normal resolution is nonetheless of importance for preserving public calm. Sergey Filatov, the leader of the Presidential Staff who chairs the Conciliation Commission sessions, is convinced that the task of this collegial organ is not to set up special "verification" groups but to involve the appropriate state and

social structures in the resolution of acute issues by making maximum use of the prestige of the commission and its members.

Liberal Organizations Hold Conference

MM2909113594 Moscow ROSSIYSKIYE VESTI in Russian 29 Sep 94 p 2

[Report by Dmitriy Orlov: "We Will Not Give the Opposition A Single Popular Slogan"]

[Text] A conference of Russia's liberal organizations, in which representatives of the State Duma's "12 December Liberal Democratic Alliance" faction, the LDF [expansion unknown], the Liberal Women's Fund, the Liberal Youth Union, and six regional liberal associations took part, was held in Moscow 27 September. Decisions were made on setting up a coordinating council of Russia's liberal organizations and the Russian Group in the Liberal Internationale.

As Boris Fedorov put it, the organizations making up the coordinating council consider the entire country to be their "sphere of activity." "Why should we restrict ourselves to Gaydar's electors? Half of those who voted for Zhirinovskiy would vote liberal in different circumstances. And those voters are no less valuable to us." The Liberal Democratic Alliance leader called on democratic forces to use "sensible" slogans covering the entire political spectrum in their electoral campaign. "We will not give the opposition a single popular slogan," Fedorov stated.

The chairman of the "12 December Liberal Democratic Alliance" faction severely criticized the Duma (a "big ministry") and the position taken in it by "Russia's Choice." "As long as the democrats are fighting for dachas, our chances will be slim," he stressed.

Acting Constitutional Court Head Interviewed

MM3009083394 Moscow ROSSIYSKIYE VESTI in Russian 28 Sep 94 p 2

[Interview with Nikolay Vitruk, acting chairman of the Russian Federation Constitutional Court, by Dmitriy Orlov; place, date not given: "The Third Branch of Power. But Is It a Power?"]

[Text] [Orlov] Nikolay Vasilyevich! What place does the Constitutional Court occupy in the state legal system?

[Vitruk] Unlike the general and special courts, people turn to the Constitutional Court when the most important legal problems—such as interpretation of the Constitution—occur.

Therefore the Constitutional Court, in my opinion, should be not simply practicing judges who have handled criminal and civil cases for 30 years, but people who have a clear understanding of the substance of existing legal problems and can suggest methods of resolving them. "We will give you practitioners, and everything will

run smoothly," I hear from various quarters. And I fear this—I fear these "pure practitioners."

I try—true, I do not always succeed—to put forward the idea among my colleagues, and especially officials of the Constitutional Court, that our court is a synthesis of a practical organ, a justice organ, and a science and research institute.

On the other hand, even many of my colleagues limit themselves exclusively to the theoretical side of the job. But, of course, all you need is to adopt just a single ruling! Many do not have the practical knack of proving that precisely the suggested option is correct.

You know, there are not enough people in the court who have not been infected by Moscow life, by political passions. Do you remember Federation Council Deputy Uss? He did not run to the microphones, but during the discussion of the Law on the Constitutional Court he shot down two or three of the arguments put forward by Muzulina, deputy chairman of the Federation Council Committee for Constitutional Legislation, in 10 minutes. We really must seek out people like that.

Of course, we too are learning. Look at our rulings in the period when we were beginning our work—they are effectively academic reports.

No, we must endeavor to ensure that rulings are substantive, that, "as sure as twice two makes four," as the popular expression goes, from three or four basic arguments one ruling or another follows.

[Orlov] Thus, to the question: "Does the third branch of power exist today or not?" you answer "Yes"?

[Vitruk] Any court can apply to the Constitutional Court on the question of the constitutionality of any law, and the latter's ruling will be final. This alone suggests the place of Russian constitutional justice in the judicial system.

Concerning the third branch of power as a whole. I would not be hasty with the conclusion that it is functioning to full capacity. When the Constitutional Court begins really to rule on cases, then it will be possible to state that the formation of the judicial system has been completed and that the constitutional system has been completely established.

Essentially there is not much left to do—there are six vacancies left to fill.

[Orlov] When can the court begin work: With the full complement of justices (19) or with two-thirds (15) of its full complement?

[Vitruk] The question has not been decided finally. I am categorically against unprofessional interpretations of this question, such as appeared in KURANTY.

My colleagues, you know, are eager for "action." But the chairman cannot be elected by less than a full bench of

justices, nor can the court be divided into chambers.... I believe that the court should be formed with a full complement of justices. This is enshrined in the Constitution.

[Orlov] Let us suppose that the Federation Council does not ratify all six candidates proposed by the president, but just three, for instance. What then?

[Vitruk] The law on the Constitutional Court suggests that the court should be formed with its full complement of justices not later than 30 days after the law is enacted. And it came into legal force 23 July. The deadline has been missed. The only excuse is the parliamentary summer recess. This is what parliamentary experts believe, as do I.

[Orlov] It is well known that the Constitutional Court will now consist of two chambers. Will this not lead to duplication of effort and the stalling of work?

[Vitruk] We have embarked on a path that is familiar in worldwide practice. Chambers also exist in the FRG Constitutional Court, for example. The chambers sit at the same time and deliver final rulings equal in force to the decisions of plenary sessions. The procedure for distributing cases will be defined collectively. Much will depend on the court's membership.

I favor a Constitutional Court of professionals, but these should not be politicized professionals. I am against the Federation Council and especially the State Duma dividing the membership of the court on political grounds—which, incidentally, has not happened.

Political neutrality, I repeat, is essential. Otherwise we will have a situation analogous to the one which arose with Justice Zorkin: His every step was a blow to the Constitutional Court's prestige. After all, he had already been warned at the final session on 7 October 1993: Make up your mind, Valeriy Dmitriyevich, either commit yourself to political activity, or earn your money in the Constitutional Court. Now after a warning has been issued the court has the right to deliver a ruling suspending a judge's powers.

[Orlov] How do you rate the Constitutional Court's loss of the ability to examine cases on its own initiative?

[Vitruk] I consider this a great victory. The Constitutional Court is not the fire brigade. We receive many appeals from heads of administration of the Federation components, but we are obliged to send them back. We examine appeals from legislative assemblies regarding interpretation of the provisions of the Constitution. I think that the first thing that we will examine after the formation of the court is completed is the Federation Council's question about the interpretation of articles of the basic law.

[Orlov] Does the report about serious conflicts in the court have any substance? Or is it greatly exaggerated?

[Vitruk] I have normal relations with all members of the Constitutional Court.

Yes, there was friction when I asked one justice to deputize for me temporarily while I was on leave (Yuriy Dmitriyev, the court secretary, was ill). But as soon as justices began to take turns to perform "acting duties," the situation stabilized.

[Orlov] Nikolay Vasilyevich, let us move on to more pleasant things. What do you do in your free time, what is your favorite hobby? I know, for example, that you are a theatergoer, and that Roman Vityuk's shows are a favorite with you. Is this true?

[Vitruk] Time is the decisive factor. Recently I have had very little. But I do indeed love the theater. In my youth I even wanted to devote my life to art....

[Orlov] Do you regret that you did not do so?

[Vitruk] No. Sometimes I think: Good God, orchestras spend their whole lives in the pit. That would not suit me. Although I understand that some people must sit in the pit, some people must scrape away for there to be a symphony....

As for the theater, I would like to attend premieres—not just any ones, of course. I am interested in our "small" theaters....

[Orlov] Judging by the canvases hanging in your office, you are an advocate of the realist school?

[Vitruk] Yes, I prefer landscape paintings. When we moved into this building, the USSR People's Control Committee had been here. A branch of the USSR Central Committee—everything was absolutely identical: the carpets, the tables, the chairs. We took down 72 portraits of Lenin.

There wasn't a single flower! I insisted on inviting a gardener in to see us, and things look rather better now. And the Arts Fund gave us custody of some paintings. Those are the ones you see in the building. In addition, we spent 2 million on acquiring paintings, which are the property of the court.

[Orlov] How would you like to finish our conversation, Nikolay Vasilyevich?

[Vitruk] I would like to focus attention once again on the fact that the formation of the Constitutional Court must be completed. Without the Constitutional Court's participation a number of legal problems could be left unresolved.

Counterintelligence Official on Oct 1993 Events

MM2809141594 Moscow ROSSIYSKAYA GAZETA in Russian 27 Sep 94 pp 1, 2

[Interview with Yevgeniy Savostyanov, deputy director of the Federal Counterintelligence Service, by Sergey

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Karkhanin under the rubric "October 93—October 94"; place, date not given: "In the Epicenter of Confrontation")]

[Text] A dialogue between Yevgeniy Savostyanov, chief of the Federal Counterintelligence Service Directorate for Moscow and Moscow Oblast, and Stanislav Terekhov, leader of the Officers Union, was held 23 September at 1800 at the White House last year. They agreed that neither side would undertake any violent actions before the next meeting scheduled for 2100. But in three hours' time, Savostyanov, who had waited in vain for his interlocutor, heard Viktor Anpilov's speech at a rally: The CIS Joint Armed Forces Staff on Leninskogradskiy Prospekt had been attacked....

The "shuttle diplomacy" had failed. And within a few days, the talks at Svyato-Danilov Monastery, which had provided a chance of reconciliation, broke down. A transcript of the talks was published, but by no means all of the issues have been clarified today.

[Karkhanin] Yevgeniy Vadimovich, as leader of the capital's Federal Counterintelligence Service Directorate and direct participant in the events, obviously you could lift the veil of secrecy shrouding the failure of the attempt to "build bridges." What happened on that occasion?

[Savostyanov] The end of the talks at the Svyato-Danilov Monastery is, I believe, quite transparent. Something else is paradoxical here—the fact that they did not end even earlier. Let us recall those days: Several central streets of Moscow were enveloped in tear gas, equipment and discarded shields were lying about everywhere, skirmishes between the crowd and the militia continued, in some places shots were already ringing out. And at the same time, talks were going on as if nothing were amiss, and people were meeting there who should, judging by the circumstances, have been involved in quite different matters, for example the mayor of the city.

The talks were finally broken off at the moment when Deputy Speaker Yuriy Voronin came back into the room and reported that the White House blockade had been lifted by the demonstrators.... And anyway, serious dialogue can be conducted only when a truce is ensured. There was obviously absolutely no point in reaching agreement while street fighting was going on. From my point of view, the talks were doomed to failure altogether, since at least one side was not viewing them as a possible solution to the problem.

[Karkhanin] Let us recall how the crisis developed in this critical phase. After all, the confrontation in whose epicenter you were working did not immediately become deadlocked.

[Savostyanov] From the very outset our hopes were simple. All right, people had met in session at the White House, they were settling something, accusing someone, but for the moment there was no firing or cannonade.

The date of the elections had been set, and so life itself would make these people switch to the purely political process—to come out and seek happiness in early elections. It was precisely then, as it happens, that my meeting with Terekhov took place.

But after the attack on the CIS Joint Armed Forces Staff events took a different turn. The escalation of the confrontation started and we had to blockade the White House, because it had become clear that the politicians there were no longer controlling the military. In turn, the blockade intensified militarist moods in the White House; the logic of its behavior was being increasingly dictated by the "field commanders." Tension grew, and I would say, led unfalteringly to an explosion....

It became clear that a new idea was needed which would change the dangerous logic of the development of events. Discussing the situation, Mayor Yuriy Luzhkov and I came to the conclusion that involving the church as mediator was such an idea. Yuriy Mikhaylovich managed to get in touch with the patriarch, who was in the United States at the time. He agreed, although of course he understood how heavy was the spiritual and intellectual burden he was taking on himself and the risk of the church's authority being undermined if the failure of the talks was very great.

We also understood this, but we had no choice. The first phase was talks at expert level—they were conducted on behalf of the city authorities by Vladimir Pankratov, chief of the Internal Affairs Main Administration, and on behalf of the White House by one of the deputies, a rear admiral. They managed to draw up some outlines of an agreement. Sokolov and Abdulatipov, who at that time were supervising the dialogue on the deputies' side, seem to have been ready for a compromise. However, Voronin interfered, using all his influence to disrupt the talks: His strategy was openly aimed at disrupting the peacemaking process.

[Karkhanin] As we know, the opposition's version was that a number of bloody episodes were caused by provocations planned and carried out by the opposing side, that is, your side. They spoke of buses parked outside the White House by unknown persons. Empty buses with keys in the ignition. They later proved to be very handy for the participants in General Makashov's raid on Ostankino. They spoke about a militia cordon which unexpectedly left its posts at the White House, after which the demonstrators raised the blockade once and for all, thus giving the authorities a reason for taking even tougher measures....

[Savostyanov] In order to think up and implement such tactics, you need to have an ideal level of command and control, and know for sure that none of your links will fall out of step. Hypothetically speaking, if you need just the first file to break into a run, you have to be sure that the second file will stay in place. But anyway, the whole development of events testifies that there was no ideal controllability. The president's book of memoirs says

how difficult it was to implement the decision to eliminate the military seat in the White House. The materials of the Ministry of Internal Affairs mention the fact that the militiamen were not armed and they had nothing to fight with. Our staffers who were involved in the operational documentation of events and therefore found themselves among the demonstrators, reported that the smell of crowd control gas [cheremukha] did not even tickle their noses. That is evidently what our crowd control gas is like—it may work in a room, but out in the street it does not trouble anyone.

The exhaustion of our tired and soaked militia also had an effect, as did the aggressiveness of the crowd. And it simply did not prove possible to restrain the demonstrators bursting into the White House. There was no plan on our part in this. If there had been a plan, everything would have gone very smoothly for us subsequently, but everything proceeded, to be blunt, with great difficulty. All these fairytales arose during the investigation, when the initiators of the disorder were trying to evade responsibility. Mark my words, now, following the amnesty, they will still be boasting of their role as "fighters for a cause."

[Karkhanin] Did you meet representatives of the opposing side only there, at the White House?

[Savostyanov] More often they would come to us. We met at the mayor's and here on Bolshaya Lubyanka. What did we talk about? We would try to find something out from them, they would try to find something out from us.... For our part, we were constantly looking for a way of avoiding bloodshed. That is why various "scenarios," various options for the course of the talks, were proposed.

[Karkhanin] Were they proposed on both sides?

[Savostyanov] Of course no transcript of the conversation was made. It seems to me that we proposed more. But I admit that others may disagree.

[Karkhanin] However, blood was nevertheless shed. And even now not everyone agrees with the official figures for the number of deaths.

[Savostyanov] You know, I watched that famous television channel CNN together with experienced people who had fought in Afghanistan in their time. By eye they assessed the number of people killed at the White House as 60-70 maximum. If you add those who died at Ostankino and other places, you will get precisely the published figure.

After all, the purpose of the firing was not to hit people, but to frighten them. There was no political or military sense in firing to hit people.

[Karkhanin] During the year new facts have obviously been revealed, and new details have emerged. Are you still convinced that the shooting and assault on the

White House were necessary and that there was no other way of averting even greater bloodshed?

[Savostyanov] I have absolutely no doubt about this. I remember how we found out that the telephone exchange had been seized, the TASS building had been seized, and the Customs Committee had been seized. And you started to understand that this was civil war developing.... At first it would be contained within certain boundaries, and then the criminal world would join in and start robbing banks and stores—for them this was marvelous. But the most terrible thing was that if events were to develop further, the stratification of the army and internal affairs organs might begin. In general, creeping escalation is extremely dangerous.

I think that everyone remembers the Ostankino television channel going out. This was a real shock: The job of the central television is not just to broadcast news, it is also a kind of symbol of the stability and reliability of state institutions. And suddenly it turns out that there is fighting going on there... You could have destroyed these secondary growths ad infinitum, but as soon as you liberated one automatic telephone exchange, they would attack another one, and a third one. Removing secondary growths without removing the tumor is senseless.

Doubtless no one is pleased at what happened in Moscow 4 October. But I believe that at that time there was no other solution. Civil war had to be averted, its seat had to be abolished.

[Karkhanin] But, as far as we know, the opposition did not manage to properly capture a single establishment. By and large it all amounted to armed skirmishes with the security service.

[Savostyanov] As far as the meaning of "capture" is concerned, we should probably look in Dal's dictionary. As a rule, this was in the nature of sudden attacks: running in, demanding weapons, or wanting to relay information, as in the Moscow Military District Military Counterintelligence staff. The attackers did not maintain a constant presence because they were being pushed back all the time. Emergency teams kept going out to the locations of the skirmishes and lifting blockades at establishments. But the supply of weapons was building up at the White House, euphoria at the success of these sudden attacks developed, and there was no fear....

This was a strategy of attacks, captures, and arms which they had thought out in their own way. And the fight with the White House was not supposed to be conducted as though with a moral or political symbol, but with a specific military center, the headquarters of the civil war. It was a volcano which was pouring out lava.

[Karkhanin] What is your attitude to the amnesty applied to participants in those events?

[Savostyanov] It made me indignant. I consider it unfair that specific people have avoided punishment, and even

more unfair that there was no trial. After all, a lot of people are still convinced that part of the truth remained concealed from them....

[Karkhanin] The anniversary is imminent, and there are processions and rallies on the Moscow streets again. In your view, is there a likelihood that the confrontation will be repeated and that blood will be shed again?

[Savostyanov] There is not the slightest reason to think that. We have all had a fairly peaceful year, and at the moment there are no political forces of any significant proportions which are interested in bloodshed. Last fall there were some. In the ordinary course of events, the ground was continuously slipping from under the opposition's feet. Now everything is different: The possibility of elections is obvious, the uncertainty of their results is also obvious, so that everyone has a chance of winning all they need by lawful means. From what I know of the moods of the main political groupings, no one intends to fish in troubled waters. Of course individual excesses may occur 3-4 October, but no day in Moscow is insured against these. So I personally think that nothing serious will happen.

Party Petitions for Return of Monarchy

LD2909185794 Moscow ITAR-TASS in English 1736 GMT 29 Sep 94

[By ITAR-TASS correspondent Liliya Kuznetsova]

[Text] Moscow September 29 TASS—Russia's Majority Party has initiated a signature raising campaign in pursuit of a Russia-wide referendum on the restoration of constitutional monarchy in Russia, the party's chairman Vyacheslav Grechnev told a news conference today.

According to Grechnev, the campaign, which was started on September 12, had yielded impressive results: Over 500,000 signatures in favour of the referendum had been obtained by today. It means the Russians vote for monarchy, Grechnev added. He voiced confidence that the required million of signatures would be obtained by November 7, 1994.

The motivation of the Majority Party for the difficult task is underlined by the view that destructive trends which it says are brought into Russia by presidential rule, or "properly speaking, power of favourites," can be overcome only by government of a dynasty responsible for Russia's fates.

The party's leadership divided over a possible monarch. Some are not against the crowning of Boris Yeltsin, while others stand for Crown Prince Georgiy of the Romanov dynasty. The leaders agree, however, that the majority party's idea of constitutional monarchy is of primary importance, while a suitable candidate for enthronation should be crowned by the Zemstvo Council (Russia's pre-revolutionary elective district council). However, Grechnev added, this will happen only if the Russian people want it.

Under the present Constitution, only the president can initiate a referendum, even if a million of signatures has been raised. The Majority Party is therefore left with the hope that Boris Yeltsin will approve the idea.

The Majority Party proposes that powers of both the Russian president and the parliament be extended until 1988 in order "fragile" stability which the party says has recently emerged is not broken.

CPRF's Zyuganov Discusses Party Platform

MM3009090994 Moscow SOVETSKAYA ROSSIYA in Russian 29 Sep 94 p 1

[Report by Luiza Gladysheva: "All Russia Party Assembly Under Way—Wake Up!"]

[Excerpt] Ivanovo—[passage omitted] After a brief opening address by Zyuganov, in which he painted the real picture of a tattered, tormented country and its economy, those gathered in the hall came forward with questions.

"Is there a way out of the devastation afflicting us?"

"Yes, there is!" the speaker replied. "It consists in an immediate change of course for the so-called reforms. What is needed is a national development doctrine incorporating basic values comprehensible to all: security, people's health, the nation's culture, the opportunity to receive a free education, social guarantees. The singling out of the agricultural sector and support for it, and giving priority to high technologies, defense sectors, basic sciences, the textile industry, and light industry. All these things sustained our economy and the life of the state, and have now been sacrificed to people calling the tune from across the ocean.

"Without a government of people's trust, without the restoration of ravaged economic and business links, and management, we cannot get back on our feet. We must introduce control over the economy, manage state industry, and help the market sector to survive and develop. This demands a review of tax policy and credit rates. The key thing in the economy now is the power industry and transport. Of course, you realize that it is impossible to change anything with the level of crime, corruption, and gangsterism existing in our country today. Is it within Russia's power to halt the banditry and robberies? Yes, of course. And it is essential to begin with the top, with the government. The Communist faction proposed that the State Duma adopt laws on the declaration of income by all top functionaries without exception, and on forbidding leaders and civil servants in the center and in the localities from taking part in any kind of commodity brokerage operations, firms, and so on. These drafts were blocked by 'Russia's Choice' and other 'reformers' and 'democrats.'"

"How does the Communist Party of Russia differ from the former CPSU?"

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"The CPSU was not a political party in the full sense of the word. It was a state management corporation which drew up and adopted programs and monitored their implementation. On the other hand, the party suffered from a hierarchical structure. Only in the labor collectives did it represent party organizations and, as you know, the voice of the party committee secretary was never more important than the voice of the director. The coordinating structure of rayon party committees, city party committees, and oblast party committees ensured a great deal, but not always successfully. As soon as Gorbachev turned the CPSU into a political club, the mechanism of the state machine started to falter. The destruction of the party was the greatest of crimes, and not only against our own people....

"The Communist Party of Russia is an equal among equals, and it will prove its superiority through traditional intellectual methods. The monopoly on power, property, and truth destroyed the CPSU. We, in demonstrating our priorities—humanism and social justice—will not repeat such errors."

"The people are passive, the opposition lacks coordination, so what is to be done?"

"The current course is opposed by representatives of the left wing, right wing, centrists, peasants, industrialists and commodity producers, and trade unions. And tomorrow the bankers will oppose it too. What is happening is not the splitting, but, on the contrary, the consolidation of opposition forces and patriotic movements. The fact that some people are making use of the old principle of 'divide and rule' and others are straining at the leash is another matter. Right now we are tackling an important task—to bring state patriotic forces together in a single alliance. In no event must we yield to confusion and extremism. Our party today has 550,000 Communists and 20,000 party organizations in the localities. We are supported everywhere by people of communist orientation and patriotic movements." [passage omitted]

Economic Issues

New Regulations for Exporting Strategic Materials

LD2909170394 Moscow INTERFAX in English 1444
GMT 29 Sep 94

[Text] Until the end of 1994, Russia will export strategic raw materials (oil, petroleum products, gas, non-ferrous metals, timber, grain and mineral fertilizers) exclusively through specialized exporter organizations, registered by the Ministry for Foreign Economic relations, an informed source in the Ministry told the Petroleum Information Agency.

The re-registration of special exporters in September slightly cut down their number to 500. If their number is

reduced considerably in October, the companies denied will have the right to carry their contracts through before the end of the year.

According to the Petroleum Information Agency's sources, this week Minister for Foreign Economic Relations Oleg Davydov approved the decision of the recent collegium to add seven new exporter organizations to those already operating, among them the Eastern Siberian Oil and Gas Company which will export oil and gas.

In September, the Permneft and Nizhnekamskneft companies were deprived of this right for poor performance, and the exporters of petroleum products Kuibyshevnefteorgsintez and Purneftegaz for failing to receive the planned amount of currency. The Ministry experts believe that the latter might have their rights restored if an audit of their financial operations abroad was favorable.

So, as of September 28, 15 Russian special exporters were exporting oil without any limitations and four organizations with limitations, i.e. within the limits of inter-governmental agreements.

In September, permits to export grain and sunflower seeds were given to the Volgogradresursy and Ros-tovkhlebprodukt companies and the Russian-Hungarian Samara - Ikr Bablona joint venture; timber and lumber to the Russian-Finnish-Swedish joint venture Vilan; magnesium and titanium products to the Balashikha foundry mill; and copper, nickel and zinc to the Yuzhuralstroï company.

Russia Considering Halting Gold Exports in 1995

LD2909185494 Moscow INTERFAX in English 1724
GMT 29 Sep 94

[Text] Russia, the largest producer of precious metals in the former USSR, may discontinue their export in 1995 if a Russia's Gold Club, a structure which would market gold inside the country, is set up.

An official of the Precious Metal and Stone Committee, or Roskomdragmet, who spoke on condition of anonymity, told Interfax Thursday that the setting up of such a club would not affect the planned gold export in 1994. He declined to say how much of Russian gold was exported.

Russia exported 50 to 100 tonnes of gold annually. Roskomdragmet experts believe that much of it was resold in Russia as jewelry the prices of which are much higher in Russia than on the world market.

Russia, which announced a reorganization of its gold industry and liberalization of the gold market last December, is expected to set up Russia's Gold Club as early as at the end of next October. The new structure is expected to create a civilized market of precious metals, to lay down rules of trade in them and introduce a new pricing system. Gold mining and gold consuming companies are expected to make a final decision on the

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setting up of the club when they meet in Plast, Chelyabinsk Region, on September 30.

Roskomdragmet officials say that under new regulations any organization or individual would be able to purchase or sell freely titles to gold bullions. The state, which is the owner of gold earmarked for issuance of the titles, will act as guarantor of exchange of these securities for actual metal. The issuance of titles to gold bullions (these securities have not been named yet) will yield an estimated \$1 billion, an amount which is essential for the gold mining industry to function properly.

Russia mined 149.5 tonnes of gold in 1993. Roskomdragmet officials say that the 1994 output may be insignificantly different.

Official Says Gold Exports To Continue

LD3009004894 Moscow ITAR-TASS World Service in Russian 1830 GMT 29 Sep 94

[Text] Moscow, 29 Sep—Russia will continue to operate in the world gold market in three capacities: as one of the largest world producers, as a major exporter, and as a major gold consumer. This was stated today by Yuriy Kotlyar, first deputy chairman of the Russian Federation Committee for Precious Metals and Precious Stones.

In an interview with a BIZNES-TASS correspondent, Kotlyar categorically denied Western media reports to the effect that Russia was to quit the world gold market, preferring to sell the "yellow metal" in its own internal market, where the prices for it are higher than world prices.

Moscow To Repay Former Soviet Debt

LD2809152694 Moscow ITAR-TASS in English 1409 GMT 28 Sep 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[Text] Moscow September 28 TASS—The Russian Government will sign a resolution on Wednesday to pay Soviet debt to foreign companies which sold goods to the former Soviet Union, Russian Vice Prime Minister Aleksandr Shokhin said.

Shokhin met on Wednesday with delegates to the European business roundtable discussion that is being held in Moscow.

He stressed that the decision will encourage foreign businesses to invest in Russia. The debt of the former Soviet Union to thousands of private foreign companies is estimated at about six billion U.S. dollars.

Shokhin said the resolution will outline Russia's concept of debt payment to foreign suppliers and is designed to promote their trust in Russian partners and improve the investment climate in the country.

Up to date the question of debt payments to foreign private companies has been solved on a selective basis.

Shokhin pointed out that the actual sum of the debt may turn out to be way under six billion dollars. Over the last three years part of the debt has been resold to banks and is to be rescheduled under an agreement with the London Club, part has been insured by official governmental agencies and is to be paid to the Paris Club, part has already been paid, including by Russian foreign trade organisations, he explained.

The government is ready to pay this debt, but at first it is necessary to take inventory of all debts of the former Soviet Union for goods supplied by private foreign companies, Shokhin said.

Minister Discusses Planned Grain Purchases

LD2909190594 Moscow INTERFAX in English 1724 GMT 29 Sep 94

[Text] The Russian government plans to purchase 400,000-500,000 tonnes of grain from the Far East and another 400,000 from the U.S. using funds remaining unused within the program Food for Progress passed in 1993, Russian Vice Prime Minister Aleksandr Zaveryukha told a roundtable conference in Moscow Thursday.

Zaveryukha said that times when Russia "fed itself with transatlantic bread by nearly a half" had gone never to return.

According to Zaveryukha, Russia's gross output of grain in 1994 with private funds will amount to 90-95 million tonnes, which will allow basic satisfaction of the country's needs.

However, Zaveryukha did not rule out the possibility that another 3-4 million tonnes of grain could be imported in the second quarter or by mid-1995 as the structure and volume of bread consumption in Russia remains unpredictable.

Zaveryukha said it was nothing terrible, because "it is not those 26 million tonnes our country purchased abroad in 1992 and not even those 11 million tonnes imported in 1993."

In addition, the government is determined to integrate Russia into the world grain market, Zaveryukha said. An international grain exchange is planned to be created and the government is expected to produce a resolution to stimulate the exports of grain, rye and barley "whose stocks exceeded 16 million tonnes by the beginning of the harvest."

According to official statistics, Russia has purchased a total of 2.13 million tonnes of grain during the first eight months of 1994 against 8.5 million tonnes during the same period of 1993.

Shokhin on Encouraging Foreign Investment

LD2809212794 Moscow ITAR-TASS in English 1944 GMT 28 Sep 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

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[Text] Moscow September 28 TASS—The Russian Government plans to encourage foreign investments in the privatization process in the country, Deputy Prime Minister Aleksandr Shokhin said on Wednesday during a break in a meeting between Russian Cabinet ministers and a delegation from the European Roundtable of Industrialists.

"As for mobilization of Russia's domestic resources for their subsequent involvement into the Russian economy through financial markets, we hope to settle this by ourselves", Shokhin stressed.

He also noted that the Government intended to attract increasing available cash held by individual residents to finance real projects, including via secondary issue of shares of industrial enterprises partially owned by the state.

The deputy prime minister told TASS the Government was crafting plans for attracting foreign institutional investors (pension funds, etc.) Whose resources are estimated at over 100 bln dollars. Certainly, institutional investors in Western countries cannot run a high risk, because their charters and laws of their countries impose tough restrictions upon the use of their funds, Shokhin said. He reported that the Russian Government was now designing mechanisms to create the necessary guarantees for foreign pension and trust funds to invest money in the Russian economy.

With this in view, the Government plans for a meeting in November with a wide range of Western institutional investors, specifically with officials of U.S. pension funds. This will call for specifying Russian laws and measures to be taken by the Cabinet to create a favourable climate for that type of investments, the vice-premier pointed out.

Furthermore, Shokhin emphasised, participants in the proposed meeting will have an opportunity of "looking one another in the face in order to leave no room for suspicions that one day the attracted investments may be nationalized or expropriated".

According to the deputy prime minister, a more intense investment process in Russia with the participation of foreign investors is to help achieve the macroeconomic goals and stabilize production as early as next year, above all in sectors of economic growth where proposed investments will be used to finance the most promising projects.

Investment Cooperation Bills Near Completion

LD2809210594 Moscow *ITAR-TASS in English* 1852
GMT 28 Sep 94

[By *ITAR-TASS* correspondent Gennadiy Yezhov]

[Text] Moscow September 28 TASS—The Russian Government will soon finish major bills on international

investment cooperation to place them before the parliament already this autumn, Russian Prime Minister Viktor Chernomyrdin said at a meeting with a delegation of the European Roundtable of Industrialists in the "President Hotel."

The prime minister said the bills would provide a favourable climate for foreign investment in Russia, in particular in taxation, export and import tariffs and currency control.

A privileged economic status, encompassing overseas activities, will be granted to enterprises with foreign investment in free economic zones, Chernomyrdin promised. These enterprises will be allowed to go ahead with their concessional contracts on product sharing until the contracts remain in effect. The bills project a foreign investment insurance system, mutual investment protection and information supply for foreign investors.

The prime minister pointed out that the bills would give equal rights to Russian and foreign investors and provide for the participation of the national budget in investment, to make investment projects more attractive.

To illustrate that, Chernomyrdin said the government had decided to divert 0.5 percent of gross domestic product into efficient investment projects which are designed jointly with businesses. The allocations will be placed only on a tender basis.

The share of the state in such projects will make up to 20 percent, the prime minister said. The rest will go to private investors, including foreign ones. Growth and returns within two years will be the only government's criteria in selecting where to invest. Ownership of newly founded or renovated productions will be considered with account for shares of investment.

However, the Russian prime minister voiced discontent with the present volume and pace of Western investment in the Russian economy. While direct overseas investment makes an annual 200 billion dollars elsewhere in the world, it was only 2.7 billion dollars in the Russian economy by January 1, 1994, Chernomyrdin pointed out.

Nonetheless, the Russian securities market has recently shown interesting changes, the prime minister admitted. Russian securities and shares of some Russian enterprises are getting a good acceptance from Western buyers. Chernomyrdin cited the Novolipetsk steel plant as an example. An institutional investor has recently bought a 10 percent stake in the plant for entrepreneurs of the United States and Great Britain.

1995 Budget Deficit Estimated at R97 Trillion

LD2909162094 Moscow *ITAR-TASS in English* 1332
GMT 29 Sep 94

[By *ITAR-TASS* correspondent Gennadiy Yezhov]

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[Text] Moscow September 29 TASS—The Russian Government estimates a budget deficit for 1995 at 97,000 billion roubles, or eight percent of gross domestic product.

The draft federal budget to be referred to the State Duma in early October envisages the revenues of 915,000 billion roubles and expenditures of 1,004,000 billion roubles, Yakov Urinson, Russia's first deputy economics minister, told ITAR-TASS On Thursday.

The deficit is to be covered by the issuing of state securities, by external borrowings and credits of the Central Bank, he said. He noted that the draft budget is to be endorsed by the Government in the next few days.

Deputy Minister on Economic Targets

LD2909162594 Moscow ITAR-TASS in English 1410 GMT 29 Sep 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[Text] Moscow September 29 TASS—The main reason for the falling-off of production in Russia is a sharp reduction of effective demand, i.e. this is an overproduction crisis, Russian First Deputy Minister of Economy Yakov Urinson told ITAR-TASS today. In the interview he gave his assessment of the economic situation in 1994 and spoke about his ministry's forecast for the next budget year.

Thus, he stressed, the talk about the disruption of economic ties in connection with the industrial recession went to the background. Those enterprises, which managed to organise the production of goods, which are in high demand, and kept production cost on a reasonable level, are now keeping afloat. The falling-off of production is of a structural nature, and its volume has not changed from one month to another during the past three months.

If we assume that the Government continues to pursue a reasonably tough fiscal and monetary policy during the coming financial year (this condition may be changed during the discussion in parliament of the draft budget for the next year), the ministry forecasts the following main directions of the economic development:

- The budget deficit and the inflation rate will go down. The issue of state securities will be expanded in order to cover the budget deficit, and more bills of exchange will be issued to bring down the level of non-payments;
- in 1995 it is planned to preserve the fundamentals of the tax system, which is currently in effect, but the number of taxes will be reduced. For example, it is planned to cancel a special tax for the support of key branches of the national economy. People with medium and high earnings will pay considerably high taxes;

—in the sphere of the state pricing policy, tariffs in the transport and electric power sectors, as well as tariffs on products of other monopoly structures, will be regulated. On the whole, the policy of the liberalisation of prices will remain unchanged;

—it is planned to reassess the value of fixed assets of enterprises as of January 1, 1995, with the help of indexation (by 3.5-4 times) for creating additional investment resources and bringing their balance value in conformity with existing prices;

—in the sphere of foreign economic activities, quantitative restrictions on exports will be practically lifted in 1995, with the exception of goods, delivered within the framework of Russia's international obligations;

—the import tariff will become the main instrument for regulating the import of goods and services.

Thus, if the draft budget for 1995, which, according to Urinson, will be adopted at a session of the Cabinet of Ministers within several days and submitted for the consideration of the State Duma, is approved by the legislators, the macroeconomic indicators will be as follows:

Inflation will be from three to five percent a month, the budget deficit will be reduced to 6.8 percent of the gross national product (gnp), the share of capital investments, financed from the federal budget, will be kept between 2.0 and 2.5 percent of GNP, defence spendings will be kept on the level not lower than that of 1994, and goals and priorities of the defence doctrine will be met stage by stage.

Central Bank Official Views Ruble Fluctuations

LD2909165994 Moscow INTERFAX in English 1444 GMT 29 Sep 94

[Text] The sharp fluctuations in the ruble's exchange rate at the Moscow Interbank Currency Exchange over the past two weeks do not mean that the Central Bank's position has weakened on the Russian currency market, Director of the Central Bank's Department for Foreign Operations Aleksandr Potyomkin told the Financial Information Agency.

The situation on the currency market only suggests that the lower and upper limits of the dollar's exchange rate have broadened, he said. He also noted that as before the Central Bank was looking for a stabilization point and for ways of supporting the attained level of balance.

Speaking about the Central Bank's strategy in a broader context, he said that the link must be taken into account between fluctuations in the dollar's exchange rate and the rate of inflation.

He admitted that in August and September, the Central Bank spent about \$2.5 billion on interventions at the Moscow Interbank Currency Exchange. He also said that

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the Central Bank's currency stabilization fund was sufficient for pursuing an effective policy of currency interventions, an that this could be seen from the dollar's fall by 35 points during today's trading session.

On Thursday, the ruble rose by 35 points, trading at 2596 rubles for a dollar. Dealers say banks were selling currency on Thursday.

Observers also note that the Central Bank's share in the volume of initial sales bid of \$231.65 million stood at \$30 million. However, during the trading session, the Central Bank withdrew all of its buying bids worth \$30 million. By doing so, the Central Bank prevented the ruble's exchange rate from rising higher than the final level.

Pay Curb Edict Linked to Countering Debt Problem

MM2809104594 Moscow ROSSIYSKIYE VESTI in Russian 27 Sep 94 p 1

[Report by Igor Petrov: "Government Does Not Intend To Freeze Pay. If the Enterprise Settles Its Accounts"]

[Text] The president's edict on restricting the growth of enterprises' consumption funds is already generating fierce arguments before it has even seen the light of day. And whereas usually these are between the government and the opposition, this time, to the surprise of many observers, the misunderstandings and mutual recriminations have emerged in the structures of the executive itself. In particular, Aleksandr Livshits, leader of the Russian Federation president's group of experts, sharply condemned this draft.

So what is the essence of the future edict? Can it be seen as an attempt to keep the free economy in check, artificially freeze people's incomes, and remove any inclination on their part to receive high lawful earnings? In the long term, this would put a question mark over the government's stated commitment to the principles of the liberal market economy.

Aleksandr Livshits is currently on a business trip in the United States. So the editorial office was unable to get in touch with him. But we manage to clarify the stance of government members. According to Russian Federation Labor Minister Gennadiy Melikyan, in his tendentious comment the leader of the group of experts overlooked the main point. The main task of the document, according to him, boils down to at least partially influencing the settlement of the nonpayment problem. It is proposed that this be done by means of substantial tax concessions granted to enterprises even if they are merely not increasing their debts and are paying out the workers' wages punctually. The draft edict provides such market players with the possibility of increasing the proportion of pay included in output prime cost and thus not subject to the profits tax of six to eight minimum wages. According to the calculations of Ministry of

Labor experts, enterprises which fall within the concessions established by the president will receive a real increase of 11 percent in the wages fund. How can there be any talk of a wage freeze?

On the other hand, of course, sanctions are also envisaged for those who like to sit up to their ears in debt but to pay themselves wages regularly. For enterprises which chronically fail to settle their accounts with suppliers and partners, the increase in revenue paid into the consumption fund will be no more than 0.7 percent per 1 percent growth in prices. And the maximum wage level at enterprises which are increasing their debts cannot exceed 12 minimum wages.

In general another leading government economic department—the Ministry of Economics—agrees with the assessments of the Ministry of Labor. Yakov Urinson, first deputy minister of economics, expressed his support for the proposals aimed at introducing restrictions on the growth in the consumption fund of enterprises which constantly increase their debts.

"We have to teach the directors of former state enterprises to have a responsible attitude toward all their debts. In a market economy, a situation where leaders of production units spend money first and foremost on food and then, if there is anything left, try to pay back creditors is intolerable." That is how the prestigious economist, Professor Yevgeniy Yasin, tried to sum up the discussion.

In any case, the president will have the last word in this polemic. The future direction of economic reform will in many respects depend on the resoluteness of the head of state in deciding on unpopular measures. Incidentally, strictly speaking, it will only be possible to judge the unpopularity of the outlined steps when we have before us the final text of the edict, whose drafts have undergone significant changes in the process of work.

Gaydar Blames Government Spending for Inflation

MK2909105094 Moscow SEGODNYA in Russian 29 Sep 94 p 2

[Report by Petr Zhuravlev under the "Expert" rubric: "Yegor Gaydar Predicts Acceleration of Inflation, But Argues Against Government's Resignation"]

[Text] Yegor Gaydar, director of the Institute of Transition Period Economic Problems, said yesterday that as a result of a softening in government monetary policy last spring, Russia "could face the threat of a considerable and abrupt acceleration of inflation" this fall. To avert it, Mr. Gaydar thinks, the government and the Central Bank should realize that "pumping money into the national economy leads to a dead end."

According to the economist, a situation came about by the end of 1993 that held out hope of a significant reduction in inflation in 1994. The pace of money supply

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growth went down drastically, interest rates reached a consistently positive level, and so forth. This determined a low inflation rate this past summer. In addition, money circulation slowed down, a consistent trend toward cutting interest rates emerged, and savings and the share of long-term credits in the overall volume of credits were on the increase. "All that in principle created prerequisites for financial stabilization," Mr. Gaydar emphasized. Beginning in April 1994, however, against the backdrop of lower inflation, pressure was mounting on the government "to pump more money into the economy." Since April, the money supply grew at a visibly faster pace (up to 15 percent a month), approximately twice the level of the first quarter.

An acceleration of inflation in September-November 1994 is becoming inevitable, Yegor Gaydar thinks. If the government, "realizing this threat, is going very quickly to return to the reserved policy of 1993, the crisis that is inevitably approaching could turn out to be an episode that would delay issuing a clean bill of health to the country's finances, but would not rule out the chances for it to emerge," he said. To this end, it is essential first "to considerably cut financing of the budget deficit with credits issued by the Central Bank, that is, to be more tight, particularly in cases where the effectiveness of this spending raises doubts." In that regard, Mr. Gaydar cited the example of agricultural produce purchases and subsidies in general "as a crucial area where spending cuts are imperative if we are not to ruin the country."

It should be noted that Yegor Gaydar, "for all his critical attitude to the government's actions," argued against "radical changes" in its lineup.

Soskovets, Moscow Directors Discuss Economy

MM2909141194 Moscow RABOCHAYA TRIBUNA in Russian 28 Sep 94 p 2

[Report by Yuriy Belkin: "Russian First Vice Premier Oleg Soskovets Met With Moscow Region Directors Late Last Week. The First Vice Premier Probably Heard Nothing New. But He May Have Been Surprised When a Well Known Academician Came Up to the Microphone With a Grenade in His Hand"]

[Text] First Vice Premier O.N. Soskovets cited plenty of figures in his statement. Industrial production in the second quarter of the year in the Russian Federation stood at 9 percent [as published]. The rate of inflation is continuing to fall from 18 percent in January to 5 percent in August. Compared with the first quarter the population's real income rose 3 percent. The state's military spending has decreased by over 70 percent, which has resulted in a fall of 60 percent in defense complex production given the limited potential for conversion. In the last two and a half years the state's investment in the economy has dropped by 65 percent. Despite the reduction in investment and production capacities, the latter's workload is no more than 70 percent. The state's overdue debts to enterprises stood at

42 trillion rubles [R]. By the end of the year Russians' minimum subsistence level may reach R140,000-150,000, while unemployment will rise to 3.6-4 percent.

At the same time O.N. Soskovets urged that the situation not be overdramatized. "I cannot agree with the assertion," he said, "that production has stabilized beyond the 'danger line' [krasnaya liniya]." At the same time the Russian Government leader was forced to admit that "Russia has entered a somewhat unusual, irregular situation, which theoreticians are calling a 'quasi-depression' or 'transitional crisis.' During this period no central authorities can avert a natural decline in production.... We feel that, along with some positive trends, explosive potential is building up that may destroy the fragile signs of stabilization...." In O.N. Soskovets' opinion, what is needed is systematic support for strategically important sectors of the country's economy which are suffering unjustifiable and irreparable losses of production potential.... Therefore the government's main aim is to focus its efforts on ensuring the controllability of reform process from on high, so to speak, and preclude as far as possible uncontrolled elements....

"In January 1992 we all had a shock in connection with price liberalization," O.N. Soskovets said. "Now we have to get through the second phase, which involves possible bankruptcy and unemployment. This may sound abrupt and harsh, but this threshold has to be crossed. And the government will take these steps."

The whole gamut of emotions was seen in the speeches by other participants in the conference on the specific problems of life in the oblast, results, and the market reforms being implemented there: pain, alarm, hope, and indignation. A.A. Polyakov, first deputy head of the [oblast] administration and chairman of the Economy Committee; A.I. Goyev, director of the Krasnogorsk Mechanical Plant; L.I. Solovyeva, director of Ramenskiy Rayon's "Konstantinovo" Agro-Industrial Company; L.P. Kovalevskiy, head of the Domodedovskiy Rayon Administration; and R.S. Popkovich, head of the Krasnogorskiy Rayon Administration, spoke about the same issue without prior arrangement: It must be understood that the bankruptcy of enterprises, particularly major enterprises, represents the bankruptcy of state policy, the bankruptcy of the country. Many people pointed out that the Moscow region has plenty of cities based around plants which depend utterly and entirely on the economic well-being of the enterprises there. Around 20 percent of all Russia's scientific organizations are concentrated here—the unique "science cities" like Dubna, Zhukovskiy, Pushchino, Fryazino, and Troitsk, which are shored up almost entirely by budget funding. "Without state support they would not be able to exist," everyone who came up to the microphone tried to persuade members of the government.

Many participants in the meeting voiced concern at a problem that is having a considerable effect on the economic state of the region and its industrial and

agricultural potential. Namely foreign companies' rapacious conquest of Russian markets. Instead of helping Russian commodity producers and supporting them in developing and selling competitive output, we look on with indifference as a vast industrial complex perishes by no means through its own negligence, as the monster known as "foreign economic activity" assumes grotesque forms. If the government has undertaken to govern the country it should follow these phenomena and prevent damage to Russian interests.

The topics of mutual nonpayments, the move to barter payments, and the government's regular nonfulfillment of its own decrees loomed large in the speeches made by the directors. The decisions to allocate soft loans to particular sectors have proved to be useless scraps of paper. Money has ostensibly been allocated, but no one can get hold of it. The hope of government support proved illusory. If you cannot implement your own decrees, do not bother issuing them, A.A. Polyakov, chairman of the Moscow Oblast Administration's Economy Committee, said angrily.

Academician E.P. Pak, general director of the Lyubertsy "Soyuz" Science and Production Association, went up to the rostrum...with a grenade in his hand. He waved it in the air and said: "I have no intention of blowing anyone up. This is not a live grenade. But it is a kind of grenade that our association has developed on the basis of missile and space technologies and that can be used very effectively to put out fires. It will enable the country to save billions of rubles! There you have financial reserves! But there is no demand for this product."

According to the academician, we are making extremely irrational use of the potential—scientific and production—that our people have built up over many years. "How can it be preserved, increased, and the maximum benefit derived from it?"—this question was directed with some pain at members of the Russian Government. The academician said that the "Soyuz" Science and Production Association has been forced to suspend completely a whole series of unique scientific work, in particular on space fuel. And the reason? The same old one: There is no funding, there is no money....

L.P. Kovalevskiy, head of the Domodedovskiy Rayon Administration, spoke of the adverse effect on the economy of the unjustifiably swollen bureaucratic apparatus and the huge number of desk jockeys who lead a comfortable existence in their sinecures. The examples which he cited are extremely typical. A tax inspectorate has been set up in the rayon with a staff of almost 100 people. A labor organ has been formed. And an employment center was opened at the same time—also with a sizable staff. And they all require a car and computers. All the basements are filled with offices. A Federal Treasury has appeared. No one knows what it is. Needless to say, even under socialism there was a bureaucratic apparatus that was out of all proportion, but it never

reached such colossal dimensions. New parasitic structures have latched onto the economy's meager budget-allocated funds. While everyone is harping on to us about a cost-based economy. This is where the money has gone! "It seems like four cats have been put on one piece of thin ice," L.P. Kovalevskiy said with some sarcasm. "They are squabbling among themselves and there is no one to ask for work...."

It is gratifying to note that the rayon leaders' discussion with the Russian Government was frank, trenchant, and unbiased. However, I must say without beating around the bush that it was just an attempt to grasp the crux of the matter and the reasons for the unhealthy economic situation. There was no dialogue. Just as in the "good old days," the conference turned into another debate between sides who do not want to hear one another. Unfortunately they were speaking different languages. Figuratively speaking, some people wanted luxuries, while others were willing to have black bread.... As usual people "cried on other people's shoulder," talked and talked, and then dispersed. Leaving the problems and the resulting headache. Along with the questions to which the Moscow region's directors received no answers.

What conclusions will economic managers draw? What will be done? Will "shock therapy" help them to survive and gain a firm footing? Will the new economic policy bring most Russian citizens a rise in their standard of living? Summing up the results of the conference, Anatoliy Tyazhlov, head of the Moscow Oblast Administration, said unequivocally: "We added pepper to the pie." And, you never know, with this bitter seasoning the flywheel of the Russian economy may get moving and grind into action.

Skokov Argues Case for Partnership

MM2909154394 Moscow KOMSOMOLSKAYA
PRAVDA in Russian 27 Sep 94

[Article by Yuriy Skokov, chairman of the Association of Commodity Producers, under "Direct Speech" rubric: "Only Partnership Will Save the Economy"—from p 3 of DELOVOY VTORNIK section]

[Text] In the April 1993 referendum the Russian people supported the economic reforms and thereby expressed the hope that opportunities providing a higher living standard and social justice would be created. But by its actions in 1992-1994 the government stimulated the appearance of so many threats to the people's expectations that one is induced to think that it was just another case of deception. In our view this could lead to a very serious and dangerous historical conflict, fraught with unpredictable consequences. Claims that this is only the beginning and that things will get better later are no longer reassuring—in due course everyone became tired of the fairy tale about a bright future and it was rightly debunked. To promise people that everything will be fine tomorrow when there are no grounds for this is even

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more immoral than stealing because in this case it is faith and hope that are being stolen.

At a recent congress of Russian Federation commodity producers in Cheboksary the government's claims about the appearance of signs of an improvement in the economic situation and about the beginning of a solution to the crisis were repeatedly refuted. In the opinion of a number of speakers, official statistics not only fail to indicate any "stabilization" in the economy but also, on the contrary, mask the onset of a new phase of the crisis, the increasing degradation of commodity production and the appearance of new threats on a nationwide level.

According to forecast estimates, if the government's current economic policy priorities are maintained the production slump will total up to 10 percent of gross domestic product in 1995, unemployment could turn into a national calamity, the brunt of which will be borne primarily by industrially developed regions, and jobs in our country will continue to be eliminated while employment abroad will be encouraged. Even now the country is on the threshold of an uncontrollable increase in the foreign debt. The investment slump has reached unprecedented proportions. Both the government and the commodity producers themselves are losing control of the situation involving potential bankruptcies of enterprises. The key problem is still the mass shutdown of enterprises, including major structurally important production facilities. There are also a number of other alarming aspects.

But the government, while creating the appearance of effective activity, is not actually tackling the most acute problems associated with the production slump and with solving the problems of social guarantees and unemployment. Although the production slump is a consequence of the government's economic policy, the regions and the commodity producers have been forced to combat, essentially alone, the adverse social effects of worsening financial and production problems.

It should be stated that the government has now switched to the practice of "emergency" measures, without having a comprehensive anticrisis action plan. The original reference points for stabilizing the economy this year, outlined when the budget was being drafted, have faded into obscurity....

These days one can often hear harsh demands which are expressed in two words—down with! Maybe harsh calls were also expected from the congress of commodity producers. But even during the preparations for the congress the Russian Commodity Producers Federation organizing group concluded that it was necessary to develop work to create a system of social guarantees and social protection based on the introduction of negotiating processes. Because it is only agreements that can be the basis of any social existence.

Previously, during the process of formulating the state plan for enterprises from the bottom up, work was

carried which resulted in the emergence of a state-backed approved plan—which was also a kind of treaty which ensured the efficient operation of an enterprise and the conditions for its workers' social welfare. It practically had the force of law. In market economy conditions a different system which is also a treaty system must be created whereby the various sides, including the state, undertake certain aspects, with a view to ensuring not only the functioning of enterprises but also and above all normal living conditions for people employed in production. This treaty must be implemented, otherwise it becomes pointless. In our view the structure of the accords' results could be in the form of various kinds of agreement, but it is important that their normative and legal status is equivalent to that of former laws and decrees. But if social tension increases and the stipulated procedures are not utilized, a comprehensible system of accountability irrespective of position must also be established.

Only partnership can be the basis for such a scheme of negotiation processes. In my view the government is not implementing the president's decisions. An example. Under the Treaty on Social Accord (paragraph 2) in 1994 the government pledged to achieve an increase in investment activity; to carry out a structural reorganization of the economy, bearing in mind the need to overcome structural distortions; to create acceptable economic conditions allowing the agro-industrial complex to function; and to pursue an active social policy aimed at stabilizing and increasing the population's living standard. But in accordance with paragraph 8 of the same treaty the government assumed responsibility for implementing these commitments. In fact nobody is taking any responsibility. In this context I would like to stress again the point about the need for an urgent reformation of the entire system of social relationships. I think that an argument confirming this is the whole history of the declaration "On the Rights of Russian Federation Commodity Producers," of our repeatedly unheeded assessments and forecasts regarding the development of the economic situation, and of the demands to stop and take stock.

The declaration only amounted to the declared intentions and aims of our possible accords with the government regarding ways of jointly seeking a solution to the desperate crisis and joint actions to stabilize the socio-political situation. But, by continuing to use the technology of administration characteristic of a totalitarian state, the government did not deem it necessary to regard anyone as a partner, preferring the previous administrative command ways, and proceeded down the road of transforming partnership relations into the institutions of advisers and consultants. But this differs substantially from genuine partnership.

We are not being heeded because it is believed that partners are not needed. But we believe that partnership is essential inasmuch as the government—which is failing to ensure the normal functioning and development of the domestic economy, which is destroying jobs

in its own country, which is the main insolvent customer and the main source of inflationary processes, and which is reducing rather than increasing state income—long ago lost its role as the indisputable expresser of the state's interests and must eventually realize that there must be agreement on the rules of a joint existence.

The congress submitted a demand to the Russian Federation Government that it immediately begin talks on protecting our country's commodity production and domestic market and on ensuring citizens' constitutional rights and social guarantees. A congress decree stressed that it "deems intolerable the Russian Federation Government's evasion of talks with the commission authorized by the congress, and in the event of a refusal declares it advisable to begin a campaign to state political demands, including for the government's immediate resignation."

Analyst Disputes 'Overstated' Unemployment Data

MM2909160194 Moscow IZVESTIYA in Russian
27 Sep 94 p 4

[Report by Mikhail Delyagin of Russian Federation President's Analysis Center: "Threat of Unemployment in Russia Exaggerated"]

[Text] Unemployment has been recognized as one of the most dangerous threats to Russia's socioeconomic stability.

According to figures from the Russian Federation State Committee for Statistics, in August 1994 4.6 million people (6 percent of the economically active population) had no jobs, were actively looking for a job, and qualify as unemployed in accordance with the International Labor Organization's methodology. Including those not fully employed in production as a result of objective reasons (administrative leave, partial employment), total potential unemployment is put at 9.2 million people—12 percent of the economically active population.

Despite the relatively small growth (the State Committee for Statistics put potential unemployment at 10.4 percent in late November 1993) such large-scale hidden unemployment poses a constant threat—virtually any acceleration in the production slump could "trigger" a chain reaction that turns it into open unemployment.

But the figure of 12 percent that has been used so actively for political purposes of late should be seen as considerably overstated. Practice shows that by no means everyone on forced leave can be considered unemployed—even potentially. The leaders of a number of major enterprises in Altay Kray had the misfortune to see this for themselves in September.

According to an ITAR-TASS report, the Barnaul Tire Plant, the "Khimvolokno" and "Altaydizel" Joint-Stock

Companies, the "Sibpribormash" Production Association in Biysk, and other major enterprises have resumed work in that area after long stoppages.

But the plants that have resumed work have come up against a quite unexpected problem—they were unable to get workers who had previously been sent on administrative leave to return. A considerable proportion of those on "enforced leave" had found new jobs (mostly not in their former speciality) and did not want to quit, seeing their positions as preferable to enforced leave.

This important episode shows that the unemployment problem even now—after two-and-a-half years of reform—is still a psychological one to a considerable extent. The number of potential jobs is such that people faced with the need to safeguard their own existence can generally find work even in Altay Kray.

Thus, unemployment in Russia is not general but structural in nature, and linked to the restructuring of the economy—people released in one place can expect to find vacancies emerging elsewhere at the same time in other national economic sectors or in neighboring territories. With structural unemployment people look for not the best jobs, but the jobs they find most attractive. The number of unemployed people "agreeing to take any job" is invisibly small; most simply make demands of the new job that are overstated compared with what they actually have to offer. Paradoxically, abandoning excessive ambitions or even simply engaging in an active job-search still results, despite the apparent labor surplus, in people finding jobs relatively quickly—often even higher-paid jobs.

Of course, this applies by no means to everyone. For instance, concentrations of depressed regions, where the disappearance of old jobs is not being offset by the creation of new jobs, is an undoubted exception. But such territories in today's Russia are still only taking shape, and special programs worked out by the state could help solve the problem.

The level of unemployment as traditionally understood (that is, unemployment not linked with economic restructuring) is clearly expressed most fully by the number of officially recognized unemployed—1.4 million or 1.9 percent of the economically active population. This is due to the continuing low efficiency of the work of state employment service organs, as a result of which people approach them last—when all other options for finding work have indeed been exhausted.

The dynamics of official estimates are an indirect confirmation that they are very correct. Whereas potential unemployment has increased by only 11 percent over the past nine months, the number of officially registered unemployed is up by 80 percent. And the waxing and waning of the numbers of officially registered unemployed coincides almost completely with periods of deepening industrial slump and the revival of production.

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Consumer Price Rises for 13-20 Sep Reported

MM2909134594 Moscow ROSSIYSKAYA GAZETA in Russian 28 Sep 94 p 3

[Unattributed report based on "Material from the Russian Government Center for Economic Conditions": "Week's Prices: 13-20 September. Heart Disease Sufferers Reacting Poorly to Nitroglycerine Prices"]

[Text] According to operational figures from state statistics organs, the overall inflation index between 13 and 20 September was 102 percent, and is 105 percent since the start of the month.

Foodstuffs were up 1.1 percent, nonfood goods were up 1.7 percent, while paid services to the population were up 5.9 percent as a result of the considerable increase in the cost of rail travel.

Consumer price dynamics differed little in different economic regions.

In Moscow and St. Petersburg consumer prices for goods and services grew faster than in Russia as a whole, increasing over the week by 2.6 and 2.1 percent respectively.

The increase in the price of basic foodstuffs over last week was 1.1 percent (3.3 percent since the start of the month)—prices were up by 1.4 percent (4.3 percent) in the official trading system, but fell by 1.8 percent (5.3 percent) in the unofficial trading system.

Among the foods surveyed over the past week flour was up 6.6 percent, vegetable oil and eggs were up 6 percent, salt was up 3.8 percent, sugar was up 2.8 percent, and groats and pasta products were up 2.5 percent. The price of fruit and vegetables continued to fall.

Since the start of the month prices have grown more for vegetable oil (18 percent), eggs (16 percent), flour (15 percent), and sugar (12 percent) than for other foodstuffs.

Foodstuffs increased in price most noticeably in the North Caucasus Region—up 1.6 percent. Prices for foodstuffs in the Volga-Vyatka and East Siberia Regions were virtually unchanged on last week.

The average cost of a basket of 19 of the most important foodstuffs as of 20 September was 62,700 rubles [R] calculated over the month—an increase of 0.6 percent over the week and 1.7 percent since the start of the month. The same basket cost R61,300 in the official trading system and R77,000 in the unofficial trading system.

The most "expensive" area for the basket continues to be the Far East Economic Region (R109,200 calculated over the month), while the "cheapest" is the Central Chernozem Region (R47,300).

Price growth for nonfood goods over the past week was 1.7 percent (5 percent since the start of the month). Of the nonfood goods surveyed the biggest increase was for

matches—up 7 percent. Synthetic detergents, children's clothing, and ladies' winter footwear were up 3-4 percent. At the same time, the rate of change in the prices of summer footwear for children and adults, domestic electrical equipment, and medicines slowed to just 1 percent over the week.

Among Russia's economic regions nonfood goods increased in price most in the Northwest Region—by 4.2 percent (fuel increased almost fivefold over the week in Pskov, for instance). Residents of the East Siberia Region, where price growth was 0.5 percent, were least affected by rises in the price of nonfood goods.

There continue to be considerable price differences for the same nonfood goods between different economic regions and within the regions themselves. The greatest price differences were for fuel and medicines. Thus, the maximum price of a single tonne of coal in Russia was recorded in Elista (R148,000), while the minimum prices was in Vladivostok (R345).

There is also a substantial divergence in medicine prices. This applies above all to preparations such as nitroglycerine, the price of which differed by a factor of 233 in the Russian cities surveyed. Whereas the price of a single packet of nitroglycerine is R3 in Yakutsk, it is R700 in Rubtsovsk (Altay Kray). The biggest difference in nitroglycerine prices between cities in the same economic region was recorded in the West Siberia Region (47 times), while the smallest was in the Northwest Region (2.4 times).

Military & Nuclear Issues**Shaposhnikov Defies Grachev; Army Faces Reform**

MM2909125594 Moscow KOMSOMOLSKAYA PRAVDA in Russian 29 Sep 94 p 4

["Military review" by Igor Chernyak: "Marshal's Party To Be Set Up?"]

[Excerpts]

Do You Hear the Heavy Tread of Boots?

Russian legislation, in order not to infringe on servicemen's civil rights, does not deny them the right to participate in the activity of public organizations (in off-duty hours). But only in those public organizations which do not pursue political goals. Therefore there can be no question of the military's participating in the work or the formation of political parties and movements. In this connection Russian Federation Defense Minister Pavel Grachev has repeatedly stated that "anyone who wants to engage in politics must take off his shoulder boards," and that "the Army is outside of politics" (although he himself once addressed the conference of the People's Patriotic Party and supported its political manifesto).

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But former USSR Defense Minister Yevgeniy Shaposhnikov has gone further than the current military minister, and has long since been trying to gain a foothold in the political struggle, recently being elected deputy chairman of the Party of Social Democracy's organizing committee. At the same time, as is well known, the marshal has not removed his shoulder boards, being the president's representative in the "Rosvooruzheniye" state company. Shaposhnikov has many supporters in the Army (including in the Ministry of Defense, the General Staff, and the Russian Federation Security Council), and if a membership drive for "Shaposhnikov's party" were launched in the troops and in the Russian Pentagon, a good many officers and generals might join the active ranks of the Party of Social Democracy along with their beloved marshal.

According to military department reports, around 20 career servicemen are today officially members of political parties, movements, and factions. The distasteful aspect is that the requirements for the military to remain outside politics remain for the "elect" a document not worth the paper it is written on. [passage omitted]

Peacekeeping, the Generals' Way

There is a joke going round Ministry of Defense corridors that when foreign ministry functionaries are unable to solve the latest thorny international problem, they entrust it to the generals. The only arguments the latter have, not having graduated from diplomatic academies, are tanks and marines. Where this leads is shown by the personal experience of Russian Federation Deputy Defense Minister Georgiy Kondratyev, who in the past month twice brought relations between Abkhazia and Russia to the brink of war.

On the first occasion the general surrounded and disarmed an entire city's Abkhazian militiamen (in retaliation for the fact that someone had allegedly made an attempt on his life), and on the second he brought the situation in the Georgian-Abkhazian conflict zone to the state of a new explosion. Pavel Grachev was forced to abandon an inspection of Moscow Military District and rush urgently to the Caucasus in order to pacify the adversaries preparing for war and remove his favorite from "peacekeeping" duties. Not for nothing have Ministry of Defense wags dubbed Kondratyev "deputy defense minister for the creation of crisis situations."

But joking aside, Russia's top generals are today increasingly expressing dissatisfaction over the fact that diplomats are using the military as scapegoats.

The logical conclusion of this practice can be seen in the Dniester Region, where General Lebed no longer pays any heed to the Ministry of Foreign Affairs, to put it mildly. One example: Diplomats promised that they would withdraw the 14th Army within three years, but the General stated that he has yet to weigh up when to withdraw it. "Lebed is Lebed, he does not want to be a

scapegoat," one general commented approvingly on the commander's actions. [passage omitted]

Yet Another Reform?

A senior official in the Russian Federation Presidential Staff reports that the Commission for the Reorganization of the Russian Federation Armed Forces began work 19 September. It was set up on the instructions of B. Yeltsin, who agreed with the theory that no system, including the Russian Federation Ministry of Defense, is capable of reforming itself.

The commission is officially headed by Viktor Chernomyrdin and Oleg Lobov. Members of the commission plan to complete their work in six weeks to two months, after which a draft edict on reforming the Armed Forces will be presented for ratification by the Russian Federation president.

New Black Sea Fleet Commander Rumored

MM2909093094 Moscow SEGODNYA in Russian
29 Sep 94 p 1

[SEGODNYA report: "Promotion Predicted for Black Sea Fleet Commander"]

[Text] Stubborn rumors continue to circulate in the Black Sea Fleet about the impending appointment of a new commander. This position, local observers presume, may be filled by Vice Admiral Vladimir Grishanov, who came to prominence in winter 1993 as commander of the Baltic Fleet, and who is one of those who aspire to be Black Sea Fleet commander next to Adm. Vladimir Kasatonov. Observers predict that current Black Sea Fleet commander Adm. Eduard Baltin is going to be elevated to Russian Navy commander in chief, and that Chief Adm. Feliks Gromov is to take charge correspondingly of the Russian Defense Ministry central administrative staff.

These rumors have drawn no comment whatever from the Black Sea Fleet staff. In the meantime, military sources link this story with another one whereby Russian Federation Defense Minister Pavel Grachev may become the Russian president's adviser on military questions.

Baltic Fleet's Last Cruiser To Be Scrapped

MM3009100194 Moscow KRASNAYA ZVEZDA in Russian
29 Sep 94 p 1

[Report by Valeriy Gromak under the "KRASNAYA ZVEZDA and News Agency Correspondents Report" rubric: "Last Berth of Last Cruiser"]

[Text] Baltiysk—The St. Andrew's flag has been ceremonially lowered on board the Admiral Zozulya, the Baltic Fleet's last cruiser, which had been in commission for almost 30 years and found repose in Baltiysk.

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The Admiral Zozulya was laid down as a representative of a transitional class between guided missile cruisers and large antisubmarine ships. It outlived three of its sister ships and was removed from the plant at Liepaja following the Baltic Fleet's departure from Latvia. Now, instead of honorable retirement, resmelting, at best, awaits the veteran.

Defense Industry Union Plans 27 Oct Protest

LD2809143994 Moscow Mayak Radio Network in Russian 1300 GMT 28 Sep 94

[Text] A critical situation has come about at Russia's defense industry enterprises. The executive committee of the All-Russian Trade Union of Defense Industry Workers has issued a statement that says, inter alia, that a nationwide protest action will be held on 27 October because the standards of living of the working people are falling.

Official Says Defense Industry on Brink of Collapse

LD2909140994 Moscow INTERFAX in English 1139 GMT 29 Sep 94

[Text] Russian defense industries need over \$20 billion in foreign investments to recover to any extent, State Defense Industry Committee First Deputy Chairman Yuriy Glybin told Interfax Thursday. He attended the international conference on East-West: Investments, Conversion, Russian High Technologies.

Glybin said that short-sighted government policies had brought the defense industries to the brink of a total collapse. The Kirov Works, once the pride of the Russian engineering industry, has to manufacture kitchen utensils and plumbing equipment. Several unique navy ships have not been completed while the Defense Ministry, the chief customer, is counting the damage done by the State Duma law making activities.

Glybin said UNIDO [UN Industrial Development Organization] experts believe that the St. Petersburg industry had a lot to offer. This was evidenced by over 50 projects submitted to the conference. Still, none of the Western participants in the conference has shown any business interest in any of them during the two days of the conference.

Glybin explained that every project needed large money infusions which had not been forthcoming.

Military Complains of Underfunding to Duma Committee

MM2809133794 Moscow ROSSIYSKIYE VESTI in Russian 27 Sep 94 p 2

[Report by Pavel Anokhin under "Emergency" rubric: "Ulyanovsk Military School Students Without Bread for Three Days"]

[Text] The school did not have the money to buy food. That was what happened when the Russian Defense Ministry transferred only slightly over half of the amount envisaged by the protected items of the budget. For example, in the first nine months of this year the military were due to receive 16.036 trillion rubles [R] but in fact they received only R9.2 trillion.

This fact was reported at a sitting of the Duma's Defense Committee by committee chairman Sergey Yushenkov, who proposed to his colleagues that the question of a Russian Government report on the implementation of the military budget be raised at the very first session of the State Duma. Representatives of the Defense Ministry and the Finance Ministry were invited to the committee sitting. The Finance Ministry people ignored the invitation.

The military section of the budget, let us recall, was adopted by parliament after a tough and tense battle. The protected budget items, which cover the funding of wages, kit, and food, for example, were perhaps the only ones which did not cause major disputes among the legislators. Everyone is aware that the military need the basics of life and have families to keep, but for many officers their army pay is their only means of existence. Furthermore, in the present complex social situation it is better not to irritate the army yet again if it can be avoided.

Clearly this is understood by the Russian president, who gave his ministers strict instructions to ensure financing for the protected items of the budget. This directive, like the Law on the Budget itself, overrides any arguments against the payment of funds under the protected items of the budget and suggests that if the treasury is empty the state would rather sink into debt than not keep its word.

But after traveling around Russia the deputies have come to the sorry conclusion that the Law on the Budget is being grossly flouted across the country, as is the Law on the Status of Servicemen. You can find evidence of that in every military garrison—many officers have not received their pay for two months now.

The financing of housing construction for servicemen and officers discharged into the reserve is in a state of utter disarray. In Bryansk Oblast, for instance, the budget earmarked R51 billion for that purpose but only R500 million were allocated, that is, less than 1 percent of the required amount. And if you think that this is somehow due to the dense forests and impenetrable swamps of the Bryansk region, then cast your gaze toward Kaliningrad in the west, Ulyanovsk along the Volga, and Yekaterinburg in the Urals. Homes for officers are "being built" at the same pace everywhere.

However, the real sword of Damocles hanging over the heads of military men or, to be more precise, over whole military units is the nonpayment of their bills for electricity and fuel—to cut a long story short, for the usual

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utilities. Some civilian authorities have threatened to cut off the military's lighting, gas, and other benefits of civilization, while other authorities, disregarding the first frosts of the fall, have switched from words to action. Until the debt is settled, of course. But those debts are the result of holes in the Finance Ministry's pocket, holes which are not going to be darned in the near future. Meanwhile, winter is just around the corner....

"The army cannot live in conditions of constantly rising debt," was how Lieutenant General Vasilii Kuznetsov, first deputy chief of the Russian Defense Ministry's Main Directorate of Military Budget Financing, opened his report to deputies.

"The sum we are receiving from the Finance Ministry today," he stressed, "is hardly enough to cover the cost of wages and salaries, covers only part of the cost of food, fuel, and kit, but leaves nothing for utilities. Of course, there isn't enough money for the protected budget items either...."

According to Kuznetsov, the amount owed to the Russian Armed Forces today is over R7 trillion. And it is practically impossible for the armed forces to get out of this quagmire by their own efforts. For example, the military need R900 billion to cover the cost of wages and salaries in September alone. Meanwhile, the amount owed under that item of the budget for August is R416 billion, that is, almost one-half of the amount needed for September. Thus the amount needed to pay wages and salaries in September is more than R1.3 trillion. However, the actual ceiling imposed by the Finance Ministry is just R1.179 trillion.

"However, only around R700 billion of that figure has been allocated for September," Vasilii Kuznetsov explained, "and the amount actually paid to cover the cost of wages and salaries in September is even lower—R500 billion."

It is a vicious circle. According to the lieutenant general, this circle can only be broken if all the debts are settled once and for all. That is the hope, but meanwhile.... The Ulyanovsk military students have learned from bitter experience and are hurriedly laying in stocks of dried biscuits—in case there is no money for food again. At the same time they are laying in supplies of candles in case the local authorities switch off the electricity as the penalty for nonpayment of bills.

Environmentalists Protest Nuclear Processing Plant

LD2909213594 Moscow INTERFAX in English 1901 GMT 29 Sep 94

[Text] The Social-Ecological Union has called for renouncing the plans of completing the construction of a nuclear fuel processing plant in Krasnoyarsk-26, Siberia.

The head of the press service of the environmental organization Oleg Stakhanov told Interfax on Thursday their experts learned about a presidential decree in the making at the Ministry for Nuclear Energy under which the Krasnoyarsk State Company should be set up to attract foreign investments in the completion of the project. The new company would have the right to sign contracts on storing and processing used fuel from nuclear power stations. The facility would recycle the fuel for industrial and energy purposes.

Stakhanov said the plant would be a serious environmental danger to the region because of possible technological accidents and the enormous amount of resulting radioactive wastes.

According to the organization, the operation of a mining and chemical corporation in Krasnoyarsk-26 has resulted in 4 Mn cubic meters of radioactive wastes with a combined radioactivity of 700 Mn curies being pumped underground. An examination conducted by environmentalists in 1993 showed that wastes were leaking from underground stores in the direction of the Yenisei River.

Stakhanov named as another danger the possibility that the Ministry for Nuclear Energy would sign contracts for processing fuel from foreign power stations which would lead to the accumulation of foreign nuclear wastes in Russian territory.

Regional Affairs

Chuvash Criticizes Moscow for Ignoring Regions

MK2909104094 Moscow NEZAVISIMAYA GAZETA in Russian 29 Sep 94 p 4

[Unattributed report under the "In Brief" rubric: "Nikolay Fedorov: 'Americans Have Hired Our Government'"]

[Text] The center's regional policy today is "equal to zero or even has a 'minus' sign; Moscow disregards the regions' interests," Chuvashia President Nikolay Fedorov stated in a press conference in Cheboksary 27 September. His meeting with the press was devoted to the results of a "Chuvashia—New Times" exhibition.

Nikolay Fedorov stated that some members of the Russian leadership "are aware of the need for developing a new regional policy, but on the whole a group political interest prevails in Moscow which boils down to staying in power."

According to the president, 5,000 heavy industrial tractors have been purchased from the American Caterpillar company over the past two years, whereas the output of similar tractors at the Cheboksary "Promtraktor" joint-stock company has fallen from 6,000 to 200 a year. "One

may take it that the Americans have hired our government in order to serve the interests of American firms and create jobs for American citizens," Chuvashia's leader stated.

Maritime Kray Case Seen as Test for Yeltsin

MK2909130094 Moscow *SEGODNYA* in Russian 29 Sep 94 p 2

[Report by Yelena Tregubova in the "Corruption" column: "The President Intends To Postpone Gubernatorial Elections Till 1996. The Memo by Russia's Choice Experts on Human Rights Violations in the Maritime Region Has Been Submitted to the Government and Judicial Bodies"]

[Text] Yesterday, according to INTERFAX, Sergey Samoylov, deputy chief of the presidential staff's directorate for work with the territories, reported that a presidential edict has been drafted "on consolidating executive power at the local level," providing that in the transitional period until 1996 the appointment and dismissal of governors is to be effected by the president. According to Sergey Samoylov, elections of heads of local executive power bodies today "could be dangerous because there is no legislation clearly defining the powers of local authorities." According to him, the president is expected to sign a corresponding edict soon after his return to Moscow. Touching on the situation with elections in the Maritime region, he said that Yevgeniy Nazdratenko "would act very appropriately if he himself stopped this process."

According to Yegor Gaydar, all materials on human rights violations in the Maritime region and about illegal economic activity by the kray administration, collected by Russia's Choice experts, will be officially submitted to the president, the chairman of the government, and also to judicial bodies.

Yevgeniy Nazdratenko, incumbent head of the Maritime administration, has set elections for kray governor for 7 October, establishing the number of signatures necessary for the registration of a candidate for governor at 32,000, although under the law, a mere 10,000 is required. State Duma deputy Igor Ustirov, who has raised 25,000 signatures (i.e., two and a half times more than is required by law), was refused registration, he said, "on the basis of the local election bylaw approved by the head of the administration."

Today in the Maritime region, the analytical report disseminated among journalists says, all newspapers in opposition to Nazdratenko and even private papers, TV and radio stations have been closed. Twelve Maritime region journalists, who have at one time or another criticized the kray administration, have applied to emigrate to the United States, "requesting political asylum." Aleksandr Bevz' expert group cites in its memorandum

dozens of specific examples of administration-supervised persecution, blackmail, apartment arson, kidnappings, and even torture of journalists and officials opposing the activity by the Yevgeniy Nazdratenko administration.

The authors of the document maintain that "the Nazdratenko group's" advent to power in the Maritime region was ensured by the creation of the so-called PAKT (the Maritime Region Joint Stock Producers Corporation). Created in 1992, PAKT included directors of the Maritime region's leading enterprises, and this "powerful corporate group, articulating the economic and political interests of the party and economic nomenklatura and representatives of the criminal/shadow economy," experts are convinced, has played a decisive role in removing from office the elected head of the administration, Kuznetsov, and appointing Nazdratenko in his place in May 1993. After that, PAKT structures, according to the memo, have been repeatedly used to organize campaigns of blackmail and pressure on federal authorities aimed at obtaining new subsidies, credits, export licenses and quotas, customs breaks and lower tariffs for transportation and fuel supplies. Furthermore, PAKT "has been actively used to destabilize the situation in the Maritime region in June-September 1993 as part of the overall Rutskey-Khasbulatov scheme."

As of now, according to the experts, the "Nazdratenko group" has established control of more than 200 of the Maritime region's 360 major enterprises. The administration, according to the experts, is vigorously blocking the privatization program and is pursuing its own variant of nomenklatura privatization; often interferes in the course of operations on the stock exchange, issuing detailed instructions as to "whom large blocks of shares may or may not be sold, and at what price." The authors of the document have ample evidence of the Nazdratenko administration's using budgetary funds contrary to their designation, and illegally extending "preferential loans" to "their" commercial structures. Experts estimate that "losses sustained by the kray economy as a result of the embezzling of resources and budget and tax protectionism have reached hundreds of billions of rubles, which makes up approximately half the region's annual budget." At the same time, they maintain, the kray administration is constantly asking the Russian Federation Government for additional subsidies and, "owing to the powerful lobbies and Nazdratenko's personal connections," in the majority of cases all these requests are granted. "Thus, an effective mechanism of pumping funds from the federal budget to the kray budget allows the Nazdratenko group even to advertise alleged success stories in its economic policy." Meanwhile, living standards in the Maritime region are among the lowest in Russia.

The experts have no doubt about "Nazdratenko's strong connections in top echelons of the Russian power hierarchy." At the end of last year the tax police, the Ministry of Internal Affairs, and the General Prosecutor's Office held an investigation in the Maritime region

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and came to the conclusion about "the existence of numerous instances of economic crime and corruption" in Nazdratenko's closest entourage. Based on the results of these checks, the presidential staff's control administration proposed to the president and the government chairman that Yevgeniy Nazdratenko be removed from office. It was not Nazdratenko who was removed at the time, however, but Valeriy Butov, the president's representative, who had investigated Nazdratenko's activity.

Yevgeniy Nazdratenko prefers not to formulate his political convictions. On one hand, the administration chief constantly stresses that he is "President Yeltsin's man and enjoys an excellent relationship with Chernomyrdin;" on the other hand, in most of his public statements he condemns the "anti-national policy by the president and government, which has brought the Maritime region to such a deplorable state." On 25 September, a day after the Democratic Choice documents on the Maritime region were presented to the press, Russian TV showed a critical program about Yevgeniy Nazdratenko which in particular included footage showing the "governor's" cordial embrace with Aleksandr Rutskoy, who recently visited the Maritime region. As an RTV correspondent admitted on the air, Yevgeniy Nazdratenko "persistently recommended" to journalists not to broadcast this program.

Observers note that the power structures of the Maritime region today are so controlled by the administration that those who have suffered from political persecution are afraid to go to the police or to court. The authors of the report point to Yevgeniy Nazdratenko's "close relationship" not only with Kray Federal Counterintelligence Service Directorate chief Lieutenant General Kondratyev, but also Border Troops Commander Lt. Gen. Sedykh, Pacific Fleet Commander Admiral Khmel'nov, and Internal Affairs Directorate chief Ipatov. Experts draw attention to numerous cadre reshuffles in local army structures conducted on "recommendation" by the kray administration and also to "penetration by commercial structures, friendly with Nazdratenko, of top and mid-level commanding personnel of the fleet and border troops." The authors of the report suppose that the administration is leaning also on some of the so-called "shooting" crime groups, "quite ready to conduct street guerrilla warfare." The leaders of the Maritime region's democratic organizations invite President Yeltsin "to think on whose orders and against whom the army, the fleet, and the armed groups, controlled by Nazdratenko, could move sooner or later."

Yegor Gaydar is convinced that "today the moment has come when the old party and economic elite at the local level is doing its utmost to turn privatization to its own advantage and retain power with the help of often criminal methods and controlled elections, and unless a breakthrough occurs, there will be no reforms in Russia."

It is interesting that in spite of the reference made in the analytical report to last year's decision by the presidential staff's control administration to "invite the president to remove Nazdratenko from office on the basis of gross violations established during the inspection," presidential chief of staff Sergey Filatov announced 27 September that "up till now inspections in the Maritime region have given no cause to talk about such violations." Sergey Filatov also said that "many letters are coming in to the presidential office whose authors ask that the gubernatorial elections scheduled for 7 October not be canceled." Judging from this statement by Filatov, it could be assumed that the signing of the presidential edict is still in question, and that although the documents about the situation in the Maritime region have been transmitted to officials, elections in this region might still go ahead."

Economic Freedom Party Urges Local Elections

MK2909134094 Moscow NEZAVISIMAYA GAZETA in Russian 29 Sep 94 p 2

[Indira Dunayeva report in the "In Brief" column]

[Text] Moscow—The Economic Freedom Party leadership held a press conference yesterday devoted to its 19-24 September tour of the Russian Far East. Konstantin Borovoy said the participants in the tour met with representatives of 20 Far Eastern cities and, based on this, have prepared an expert statement which was transmitted to the Russian presidential staff. Borovoy came to the following conclusion: The main problem in the regions is the personality of administration chiefs who either, as, for instance, in Chelyabinsk, are thoroughly promoting job creation programs, or, like in Komsomolsk-na-Amure, effectively ban commercial activity and raise local taxes as high as 60 percent.

The Economic Freedom Party leadership sees the way out in holding early elections of local administration chiefs.

Border Troops Commander Meets N. Ossetian President

LD2909134294 Tbilisi IPRINDA in Russian 1130 GMT 29 Sep 94

[Text] Vladikavkaz (IPRINDA)—On 28 September, Colonel General Andrey Nikolayev, the commander of border troops of the Russian Federation, met the President of North Ossetia Akhsarbek Galazov. The meeting discussed the situation in the Ingush-Ossetian conflict zone.

A meeting between General Nikolayev and the leadership of South Ossetia has been planned for 29 September.

It has become known to an IPRINDA correspondent that the representatives of South Ossetia put forward demands for establishing transparent borders with North Ossetia.

Conditions in Returning Troop Camps Noted*MM2909154494 Moscow Ostankino Television First Channel Network in Russian 1700 GMT 4 Sep 94*

[From the "Itogi" newscast: Video report from Yelnya by Yelena Masyuk, identified by caption]

[Excerpts] [passage omitted] [Viktor Gerasimov, commander of the 144th Motorized Rifle Division, identified by caption] The material situation was better in Estonia. But at the moment this is not particularly important. Our main concern was to get home. And we have coped with that task. All combat hardware, weapons, and material resources have been transferred.

[Masyuk over video of trucks, bulldozers, lawn curbstones] Our military even brought the lawn curbstones back from Estonia. The construction of barracks and parking lots for military hardware is progressing apace on the 144th Motorized Rifle Division premises. The same cannot be said about the Northwestern Group of Forces surface-to-air missile brigade, which was withdrawn from Germany and is located nearby. The brigade has been here since April and, by the officers' admission, they will have to spend the winter under canvas. The tents are heated by means of small stoves. Several tents have already burned down. According to the officers, this was only the beginning. In winter canvas burns even better. [passage omitted]

[[Masyuk] Many officers returning from Germany have gone elsewhere. They did not like present-day Yelnya or their future prospects here.

Under an agreement, Germany gave Russia DM140 million for the construction of a military camp in Yelnya. After a long and tortuous process the right to build the camp was won by the Korean company Samsung. The company has already built a similar facility in Algeria for French soldiers which even comprises a casino and a women's club. The Yelnya facility will be more modest. Nonetheless Russian people, not used to luxury, will find everything they need there. A total of six military housing compounds are to be built in Yelnya. Currently two are under construction—one for the motorized rifle division, the other for the surface-to-air missile brigade. Both are being built with German money. Officially, construction is to be completed by August of next year. However, most of the military take a more pessimistic view, citing August 1996 as a more realistic date. In the meantime the servicemen will have to live in barracks and tents, and the expensive air defense hardware brought back from Germany will remain in the open.

Aggression Against Chechnya Coming From N. Caucasus*LD2909184294 Moscow INTERFAX in English 1724 GMT 29 Sep 94*

[Text] The Chechen government has expressed its concern over the fact that "the aggression against Chechnya

was being carried out" from the territories of the neighboring North Caucasian republics. "Your territory and your resources are being used for a new occupation of the Caucasus," Grozny said in its address to the peoples of the North Caucasus.

According to the document, "the rulers of Caucasian republics have appeared to be incapable of defending the honor of their peoples. This has always been clear, but it is painful to realize that the peoples of the Caucasus can indifferently watch pro-imperial anti-Caucasian forces try to destroy the cradle of freedom hardly has it been revived on our ancient Caucasian land."

"We will find a way to defend our right to life, but the fact that your passive position and apathy may become the reason for your death rouses concern. For the sake of the Supreme Lord and our ancient Caucasian Fatherland, wake up and do not let them destroy you," the Chechen government appealed.

Chechen President Reportedly Flees*LD2909135094 Moscow ITAR-TASS in English 1334 GMT 29 Sep 94*

[By ITAR-TASS correspondent]

[Text] Moscow September 29 TASS—Chechen President Dzhokhar Dudayev fled Chechnya reportedly either to Jordan or Lybia, TASS learned from the leadership of the opposition Provisional Council based in Znamenskoye settlement in the north of the republic.

It is yet unclear how did Dudayev leave the republic.

TASS correspondents failed to contact Grozny to get an official confirmation of the report.

The Provisional Council said, however, that forces loyal to Dudayev are being concentrated around Grozny in order to repel possible attacks of the opposition.

Spokesman of the Provisional Council Ruslan Martagov told TASS that the united forces of the opposition are to begin in the afternoon a combat operation to eliminate the units of Dudayev near the settlement of Bratskoye where clashes occurred on September 27 between government forces and the opposition.

Martagov said that residents of Znamenskoye, "inspired by the recent defeat of Dudayev's forces in Nadterechny district, are ready to join the opposition and fight on its side".

Aide Denies Dudayev Has Fled*LD2909144394 Moscow ITAR-TASS World Service in Russian 1412 GMT 29 Sep 94*

[By ITAR-TASS correspondent]

[Text] Moscow, 29 Sep—The Chechen Interim Council's announcement to the effect that Dzhokhar Dudayev has left Grozny and flown to the Middle East does not

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correspond with reality. This statement has been made over the telephone by Zelimkhan Yandarbiyev, an aide to the Chechen vice president. He added that, as usual on Thursdays, Dudayev was spending the afternoon chairing a government meeting.

Groznyy Television Screens Dudayev Interview

LD2909211594 Moscow ITAR-TASS World Service in Russian 2045 GMT 29 Sep 94

[By ITAR-TASS correspondent Sharip Asuyev]

[Text] Groznyy, 29 Sep—Rumors that Dzhokhar Dudayev had fled from Chechnya have turned out to be false. He was working in his office as usual today, and in the afternoon he chaired a scheduled meeting of the republican Cabinet of Ministers.

Late this evening, Groznyy television showed an interview which Dzhokhar Dudayev gave to a German television company and to the newspaper 'SOVERSHENNO SEKRETN' [Top Secret]. Judging from the fact that nothing new was said, the showing on local television of what was stressed to be exclusive material had only one purpose—to convince the citizens that the president has no intention of quitting the republic.

Today's television appearance by Dzhokhar Dudayev differed from all his previous ones only in that, while accusing his opponents of criminal excesses, he himself showed no restraint in the epithets he used about them.

Groznyy Airport Attacked; City 'Sealed Off'

LD3009081494 Moscow ITAR-TASS World Service in Russian 0756 GMT 30 Sep 94

[By ITAR-TASS correspondent]

[Text] Moscow, 30 Sep—Early this morning the joint forces of the Provisional Council under the command of Bislan Gantamirov, with helicopter support, attacked Groznyy airport. Virtually all combat aircraft there, as well as tanks, APCs and air-defense batteries guarding the airport were destroyed. ITAR-TASS has just been informed of this by Ruslan Martagov, head of the Provisional Council's press service.

According to his information, opposition forces have now sealed off Groznyy, and Bislan Gantamirov has demanded that Dzhokhar Dudayev surrender his weapons and capitulate immediately. If Dzhokhar Dudayev does not surrender within the next few hours, opposition forces intend to storm the Chechen capital.

Dudayev Denies Groznyy Cut Off

LD3009102794 Moscow ITAR-TASS World Service in Russian 0909 GMT 30 Sep 94

[By ITAR-TASS correspondent Sharip Asuyev]

[Text] Groznyy, 30 Sep—Chechen President Dzhokhar Dudayev has denied reports by the opposition Provisional Council that Groznyy has been sealed off and that he has been given an ultimatum, but he confirmed that the opposition carried out a missile attack on the capital's airport.

In an exclusive interview for an ITAR-TASS correspondent today he described the report about the surrounding of the capital and about an ultimatum as an "impudent lie used as a screen to aggression."

Dudayev claimed that the strike against the airport was carried out not by the opposition but by Russian troops. "This morning an air missile strike was carried out by Russian troops on the airport where transport planes are situated. There has been considerable loss of life among the peaceful population. A strike was also carried out on a built-up area in the region of the airport. The whole airport building and aircraft at their moorings have been smashed. The runway has been destroyed," Dudayev said.

What has occurred, in his opinion, "is an incident unparalleled in world practice," inasmuch, he said, as "in no circumstances may civil airports and civil aviation be subjected to any kind of military action."

The situation in Groznyy remains outwardly calm, although the inhabitants have, naturally, been alarmed by what has happened. The inhabitants know nothing about the city being surrounded or about any ultimatum to the president. Today is a non-working day in Groznyy and only round-the-clock enterprises are working.

Chairman of Karelian State Property Board Murdered

LD3009102094 Moscow ITAR-TASS World Service in Russian 0856 GMT 30 Sep 94

[By ITAR-TASS correspondent Vladimir Zlobin]

[Text] PETROZAVODSK, 30 Sep—Vladimir Mikhaylenko (47), chairman of Karelia's state property committee, was beaten to death in the settlement of Nadvoritsy, Karelian government spokesmen told ITAR-TASS today. Mikhaylenko was taken by helicopter to hospital in Petrozavodsk, but died on 28 September without regaining consciousness.

One possibility being investigated is this was a killing done "to order." It has emerged that shortly before his death certain individuals demanded that Vladimir Mikhaylenko sign some documents of dubious origin, but he categorically refused. Numerous threats against him followed.

Doctors who tried to resuscitate Mikhaylenko say that, judging by his injuries, the criminals acted professionally, aiming mainly for the head. A wallet with money was found in the victim's pocket. His attackers had not taken it.

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St Petersburg Gas Stations Run Out of Fuel

MM2909123594 Moscow ROSSIYSKIYE VESTI in Russian 29 Sep 94 p 1

[Unattributed report: "No Gasoline in St. Petersburg"]

[Text] St. Petersburg's gasoline stocks, which previously sold more than 1,000 tons of Ai-92 gasoline a day, are dry. Not only motorists, but the militia, the fire brigade, and paramedics are "eking out" their last few liters of fuel.

They have been let down by the "Kirishinefteorgsintez" Association, where an installation producing 2,500 tons of gasoline a day—easily enough for St. Petersburg and Leningrad Oblast—went out of action a few days ago. The refinery did not consider it necessary to warn its 50 customers about the possible disruption to supplies, and its customers, in turn, were unable to buy fuel from other parts of Russia in good time.

North Caucasus Air Force Exercises Held

MM2909115594 Moscow KRASNAYA ZVEZDA in Russian 28 Sep 94 p 1

[Report by Viktor Beltsov of the Air Force Press Center: "Performance-Grading Intercept Targets Intercepted at Designated Points"]

[Text] Long-range and frontal aviation crews have flown a little over 100 missions in fixed-wing aircraft and helicopters during the command-post exercise which has been completed on the territory of the North Caucasus Military District. Aspects of cooperation between ground forces and the Air Force were mastered.

At one stage of the command-post exercise, MIG-29 short-range fighters were scrambled with the task of intercepting performance-grading intercept targets. Su-24 bombers and Tu-95MS strategic combat jets served as

them. The MIG-29 crews intercepted all five "enemy" aircraft at the designated intercept points. The overall assessment for the fighter pilots, and the reconnaissance and fighter aircraft was "excellent."

Forest Fires Break Out in Tambov Oblast

MM2909131194 Moscow IZVESTIYA in Russian 29 Sep 94 p 1

[ITAR-TASS report: "Forty Fires Blazing in Tambov Forests"]

[Text] An airborne patrol with a loudspeaker has informed Tambov residents straight from the skies of the mass fires that have broken out in Tambov's forests.

September's 30-degree heat made the one-tenth of the oblast's territory covered by forests an extreme fire hazard. Some 40 fires are now ablaze in Tambovskiy, Rasskazovskiy, and Morshanskiy Rayons, inflicting tremendous material damage. The oblast administration has banned visits to the forests in the most dangerous rayons.

Three Die in Maritime Kray Storms

MM2909114394 Moscow KRASNAYA ZVEZDA in Russian 29 Sep 94 p 1

[Report by Captain 2d Class Nikolay Litkovets: "Despite the Weather, the Pacific Fleet Remains 'Afloat'"]

[Text] KRASNAYA ZVEZDA was told at the Pacific Fleet press center that the Maritime Kray storms did not spare Pacific Fleet shore units, depots, and other facilities. Some six garrisons and more than 15 military units felt the wrath of nature.

According to preliminary data, damage to the Pacific Fleet caused by the elements totaled more than 40 billion rubles. But the most serious losses were human beings. Three people perished and one is missing.

International Affairs

Statement Supports Partial Lifting of FRY Sanctions

LD2909210794 Kiev Radio Ukraine World Service in Ukrainian 2000 GMT 29 Sep 94

[Text] Ukraine's Foreign Ministry has circulated a statement in connection with the partial lifting of sanctions against the Federal Republic of Yugoslavia.

As is known, the UN Security Council approved a package of resolutions on the situation in Bosnia-Herzegovina, aimed at isolating those forces in the conflict that did not abandon their intention to resolve the issue using weapons, and encouraging those who are ready to contribute to stopping the bloodshed in practical terms, says the statement.

The UN Security Council resolution envisages that separate sanctions against the FRY be lifted partially for a term of 100 days. According to the resolution, the transportation of passengers and their personal belongings to the Belgrade Airport, and also by the ferry connecting Bar in Montenegro and Bari in Italy, be resumed. At the same time, the resolution bans the Federal Republic of Yugoslavia from sports competitions and cultural exchanges for the same period of time.

The Ukrainian Foreign Ministry points out the balanced and unbiased nature of the resolutions approved by the UN Security Council, and draws attention to the possibility of restoring relations with the Federal Republic of Yugoslavia in the spheres noted in the resolution.

Zlenko Appointed UN Permanent Representative

LD2909175694 Moscow INTERFAX in English 1541 GMT 29 Sep 94

[From the "Diplomatic Panorama" feature: Reports by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgenit Terekhov and others]

[Text] Ukraine's President Leonid Kuchma has appointed that country's former foreign minister Anatoliy Zlenko Ukraine's permanent representative at the UN.

Zlenko relinquished the post of foreign minister in late August. Hennadiy Udovenko is his successor.

Parliamentary Delegation Leaves for U.S. Visit

LD2909121394 Moscow ITAR-TASS in English 1124 GMT 29 Sep 94

[By ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Kiev September 29 TASS—An official delegation from the Ukrainian Parliament, headed by Speaker Oleksandr Moroz, set off today to pay a visit to the United States. The visit will last seven days, ITAR-TASS

learned from the parliament's press service. Moroz is expected to have a meeting with U.S. President Bill Clinton.

Economy Ministry Delegation Visits Moscow

LD2909211994 Kiev UNIAN in Ukrainian 1540 GMT 29 Sep 94

[Text] Kiev [no dateline as received]—The press center of Ukraine's External Economic Relations Ministry informed UNIAN today that Serhiy Osyka, Ukraine's external economic relations minister, at the head of a Ukrainian government delegation, visited Moscow to implement instructions from the president and Cabinet of Ministers of Ukraine, and hold negotiations with the Oleg Davydov, Russian Federation's foreign economic relations minister. This meeting was the first in the past three years at the level of Ukrainian and Russian ministers in charge of foreign economic activity.

As a result of negotiations, the sides agreed and initialled the texts of the agreements between the two countries' governments "On setting up the system of free trade," "On cooperation between the External Economic Relations Ministry of Ukraine and the Foreign Economic Relations Ministry of the Russian Federation," and the protocol "On implementing the agreement of 15 April 1994 on the re-export of goods and the procedure to grant permission to re-export goods in bilateral relations between Ukraine and the Russian Federation." The agreement on setting up the system of free trade, in particular, makes provision for the introduction of an effective mechanism of cooperation between Ukraine and the Russian Federation in putting into practice free trade procedures on the basis and in compliance with of the principles and norms of the General Agreement on Tariffs and Trade and the Uruguay Round of GATT talks. It was decided to form a joint working group to prepare proposals on a balanced reduction in the number of exceptions from the system of free trade.

The protocol between the governments of Ukraine and the Russian Federation "On implementing the agreement on the re-export of goods and the procedure to grant permission to re-export goods in bilateral relations between Ukraine and the Russian Federation," in particular, provides for the interim application of the provisions in the said agreement signed on 15 April 1994, until its entry into force. Both sides formed plenipotentiary bodies empowered to grant permission to re-export goods. It was agreed within a month's time, following the signature of the protocol, to exchange the lists of re-exporting goods that require a special permit, and within two months' time to develop a unified procedure for the issuance of documents pertaining to the re-export of these goods.

The agreement "On cooperation between the External Economic Relations Ministry of Ukraine and the Foreign Economic Relations Ministry of the Russian Federation" sets out the main aspects and mechanism of

cooperation between the two ministries, so as to resolve promptly any existing problems or those that may arise, within these Ukrainian and Russian ministries' functional jurisdiction.

The sides agreed to hold mutual consultations on issues relating to the harmonization of tariff and nontariff methods of regulating foreign economic activity and coordinating actions in the course of negotiations on GATT/WTO, IMF, and IBRD [International Bank for Reconstruction and Development] membership.

An agreement was also reached on setting up an information network with the aim of consultations and cooperation on pricing and import policies and to protect the economic interests of Ukraine and the Russian Federation on the markets of third countries undertaking antidumping activities, as, in some cases, our countries' enterprises jointly are under investigation on dumping charges. It was agreed that there was a need for joint actions in pricing policies in respect of third countries' markets. The Russian side proposed that the manufacturers of highly competitive goods should form joint unions. The sides also agreed on joint activities to fight violations of both countries' economic legislation.

Premier Supports Ceding ex-USSR Debts, Assets to Russia

LD2909140094 Moscow INTERFAX in English 1139 GMT 29 Sep 94

[Text] Ukrainian Prime Minister Vitaliy Masol said he supports transferring the Ukrainian share of the former USSR's foreign assets and liabilities to Russia.

He told an audience of Ukrainian writers in Kiev on September 28 that otherwise Ukraine would have to pay as much as \$700 million annually.

Masol added that Russia had already paid \$1.7 billion of the Ukrainian part of the former USSR's debt.

Ukraine and Russia negotiated the issue in 1992 but failed to come to an agreement. Nevertheless, Russia serves the Ukrainian debt by using the Ukrainian part of the former USSR's assets and facilities.

At the latest rounds of talks between the government delegations of the two countries the idea was advanced that agreements be signed on the assets and liabilities and use of embassy and legation buildings in 36 countries by Ukraine.

The Ukrainian share in the USSR's assets and liabilities is 16.37 percent.

Kharkov To Establish Economic Cooperation With Moscow

WS3009084494 Kharkov VREMYA in Russian 13 Sep 94 p 2

[Unattributed report: "Before Yeltsin Arrives in Kiev, Kharkovites Will Visit Moscow"]

[Text] The news conference held yesterday at the Oblast Executive Committee, which was attended by A.S. Maselskyy, was different than the one held a week ago. Instead of delivering introductory speeches, this time the participants, as the saying goes, took the bull by the horns straight away.

Journalists learned that V.N. Tyahlo, deputy chairman of the Oblast Council, had been instructed to visit Moscow to prepare documents on economic cooperation between Kharkov and Moscow Oblasts. Our industries are quite similar, and both sides have demonstrated a willingness to cooperate. These documents should be ready before B.N. Yeltsin's visit to Kiev.

The conference once again concerned our daily bread. The highest volume of this year's wheat procurement in Ukraine will be in our oblast. Although the problem of fuels and lubricants has not yet been resolved, more fodder has been stockpiled for the wintering of livestock than last year. It seems that we will manage to live through the winter.

It is hard to say now, however, whether our houses will be heated sufficiently. Ukraine owes Russia a great deal of money for gas. The people are currently paying for a mere tenth of the total value of gas being consumed. However, that is not all: Oblast enterprises are not saving gas. They continue to use wasteful technologies. It is no problem to turn off the tap; it is a problem to save fuel.

Also discussed were ways of putting into operation a third subway line. The current talk is not about five but only three lines. The tender committee receives money every day. What is the result? In Mytyshe, five subway cars are waiting for delivery to Kharkov, and nobody knows how long they are going to remain there.

Also addressed was the issue of building a new dump, which is apparently being hampered by Sorokivka Village Council chairman. A.S. Maselskyy did not provide explanations, and he recommended that members of a special commission established for this purpose be heard. The latter were arguing that although the site of the dump was selected taking into account environmental safety considerations, this problem has not yet been resolved.

The meticulous journalists also learned that a meeting of the Oblast Executive Committee had been held before the news conference. Nevertheless, A.S. Maselskyy did not provide a concrete answer regarding its course. What sense does it make to speak about what is merely going to be planned, since not all work has been divided among the Oblast Executive Committee deputy chairmen.

Responding to a question as to whether material assistance will be provided for veterans to honor the 50th anniversary of the Great Victory, the official said the following: "All participants in the Great Patriotic War will receive unconditional material assistance in their places of residence."

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Moroz Delegation Meets Hungarian Officials

*LD2909122194 Kiev UNIAR in Ukrainian 2230 GMT
28 Sep 94*

[Text] Hungary, 28 Sep—A delegation from Ukraine's Supreme Council headed by its chairman Oleksandr Moroz held a meeting with Hungary's Interior Minister Gabor Kuncze within the framework of an official visit to the Republic of Hungary. During the meeting they discussed establishing cooperation between Ukraine and Hungary with the purpose of defeating organized crime.

The Ukrainian parliamentarians also visited Hungary's Ministry of Foreign Affairs where there was a conversation with Istvan Szent-Ivanyi, the political state secretary at the Foreign Ministry. In particular they discussed issues connected with the organization of work at crossing points between the joint state border. Touching on the crisis situation in Yugoslavia, the sides stressed that the UN sanctions against this country, which both states abide by, are inflicting enormous damage on Ukraine and Hungary.

This was also the subject of a conversation with Matyas Eoersi, the chairman of Hungary's parliamentary commission on foreign affairs and members of this commission.

The Ukrainian delegation was also at Hungary's Ministry of Industry and Trade where they were acquainted with the course of economic reforms, and the activities of the investment encouragement fund and the entrepreneurship stimulation fund.

Official on Joint-Hungarian Mafia Measures

*AU2909124094 Budapest NEPSZAVA in Hungarian 23
Sep 94 p 9*

[Interview with Vasiliy Bonkalo, Uzhgorod police official, by Andrej Kiss; place and date not given: "Hungarian-Ukrainian Antimafia Fight"]

[Text] Vasiliy Bonkalo gave an interview to NEPSZAVA regarding the current Hungarian-Ukrainian joint police operation. He said that, in addition to the actual participants, the authorities now also want to know about the people in charge, the leaders.

[Kiss] We could learn a lot about the extent of the activity if we could find out how many policemen are employed in the fight against the mafia in Ukraine.

[Bonkalo] The number of people to be mobilized was precisely laid down in the Ukrainian-Hungarian police agreement. All I can say is that the same number of experts are working in this area as was laid down in the document. It will suffice to say that there are a lot.

[Kiss] Which areas are affected by the joint operation?

[Bonkalo] Whereas in the past this kind of work was only carried out in some counties along the border, we now have extended our operation to a much larger area.

Naturally, I am not talking about all of Ukraine or Hungary. In addition to the quantitative change, the quality of our cooperation has also improved. It is important that we help each other by supplying information to the other partner.

[Kiss] How much time do you need to supply the information to your Hungarian colleagues if they capture a Ukrainian criminal but know little about him?

[Bonkalo] I cannot speak for Kiev. However here, in the area along the border, we can give answers by sending a fax. Unfortunately, compared to the Hungarians, the Ukrainian police have far inferior technical equipment. This is one of the reasons I would like to express our thanks, through NEPSZAVA, to our Budapest colleagues for their help. At the initiative of Budapest Police Chief Janos Bodracska, the Subcarpathian police received approximately \$10,000 worth of special police and medical equipment this year.

[Kiss] How successful is your current cooperation? Can you say anything about the number of arrests?

[Bonkalo] It would be too early to say anything but I will be able to be more informative in a few days' time. Just remember how many areas are involved in organized crime! At the moment, we are dealing with people involved in prostitution, drug and weapons' trade, and smuggling.

[Kiss] According to all indications, the Hungarian police was surprised by the level of armaments the criminals coming from the Soviet Union had. I believe you have also discussed your experiences in this area.

[Bonkalo] Naturally, this is less of a novelty for us although I admit that sometimes we too get surprised. All we can recommend is that the Hungarian colleagues implement measures that are as tough as possible.

Ties Reestablished With CIS Asian States

*AU2909153394 Kiev DEMOKRATYCHNA UKRAYINA
in Ukrainian 17 Sep 94 p 2*

[Report by UKRINFORM correspondent Valentyn Ver-nodubenko from Kiev: "In Almaty and in Tashkent, We Were Met Halfway"]

[Text] As already reported in the press, on the directive by Ukrainian President Leonid Kuchma, a Ukrainian state delegation headed by Industry Minister Anatoliy Holubchenko and with high-ranking officials of major ministries and departments reviewed the results of their working trip between 30 August and 6 September.

It was pointed out that, until quite recently, Kazakhstan had been, after Russia, second and Uzbekistan third consumers of the output of Ukrainian machine-building and chemical industries. Ukraine has now lost these markets.

Now that, in the course of the visits, the Ukrainian delegation has signed a whole package of measures with Kazakhstan and Uzbekistan, there has appeared a real possibility of extricating mutual relations from the deadlock. Of great significance is the accord on production cooperation, which literally gives economic entrepreneurs a free hand and exempts them from the value-added tax, and customs and excise duties if they supply goods to these countries. It is also difficult to overestimate the agreement on the economic integration between Ukraine and Kazakhstan in branches of heavy industry. The agreement will be in force until the year 2000 and its implementation will enable enterprises to reestablish the severed ties.

"During our meetings with Kazakhstan's Supreme Council Chairman Abish Kekilbayev and Prime Minister Sergey Tereshchenko, Uzbekistan President Islam Karimov, and high-ranking officials of these countries, we heard more than once that, in those countries, great hopes are being pinned upon restoring disrupted ties with Leonid Kuchma," stressed Anatoliy Holubchenko. "It was emphasized that with his coming to power, conditions are being created for establishing normal trade and mutually advantageous relations between our countries. Frequently, we were met halfway in signing those documents, which could not be signed before."

Uzbek Delegation Arrives for Cooperation Talks

LD2909203794 Moscow ITAR-TASS in English 1858 GMT 29 Sep 94

[Text] Kiev September 29 TASS—By ITAR-TASS correspondent Mikhail Melnik and UKRINFORM correspondent Aleksey Petrunya]

[Text] Ukraine and Uzbekistan are ready to sign a package of documents on cooperation, it was announced at a meeting of delegations from the two governments held in Kiev today.

Uzbekistan's delegation is headed by Deputy Prime Minister Yuriy Paigin. He has brought to the Ukrainian capital a package of agreements envisaging the development of cooperation in the economy, air transportation, cargo shipments, culture, tariffs and taxes. After the concordance of the documents by both sides, they are planned to be signed on Friday. Among them the declaration of the main directions of economic cooperation, the most important of the documents, will be signed by presidents of the two states on suggestion of the Uzbek delegation.

Ukrainian Prime Minister Vitaliy Masol noted that so far the main question is the question of mutual payments. According to him, the interstate monetary system is unlikely to work for another one or two years to come. For this reason, Masol proposed to purchase goods against national currencies currently in circulation in Ukraine and Uzbekistan. "Both sides are interested in it. Without Uzbekistan's cotton Ukraine is like without

water. In turn, Uzbekistan is in urgent need of Ukrainian metals and equipment," he emphasised.

Vitaliy Masol thinks that for successful Ukrainian-Uzbek cooperation it is necessary to include Russia as well, across whose territory all shipments pass. After signing a tripartite agreement it will become possible to introduce common tariffs and taxes. He also suggested to abolish customs duty on gas from Uzbekistan completely, and, in exchange, Ukraine will abolish duty on its products.

Noting mutual interest, the two sides decided to expand cooperation in a number of other fields.

National Affairs

Continuing Coverage on Crimean Government Crisis

Deputies Attempt To Oust Meshkov

LD2909163494 Moscow Mayak Radio Network in Russian 1440 GMT 29 Sep 94

[Text] [Announcer] Our correspondent in Simferopol, Vladimir Plotnikov, is on the line to the Mayak studio. Hello, colleague, I hope to hear news of the Crimean Supreme Council proceedings from you.

[Plotnikov] Yes. Good day. A regular session of the Supreme Council is taking place today. It began with a report on the health situation on the peninsula. Another two people have contracted cholera during the last 24 hours. That makes a total of 118. However, for the first time there is some more encouraging news. The outbreak has been localized. Some patients have recovered. Furthermore, we have received some aid from America. A cargo plane has delivered 40 tonnes of medicines, worth \$5 million, to the Crimea.

The second item on the agenda was the third reading of the draft law on the government of the Crimea. Deputies who support President Yuriy Meshkov described it as an attempt to stage an unconstitutional coup. The point is that under the present Crimean Constitution the government is formed and headed by the president. But, as a result of amendments, these powers are now vested in a prime minister. The Supreme Council will approve the government. So, Yuriy Meshkov is, to all intents and purposes, being removed from power.

Incidentally, neither he nor the present deputy prime minister, Yevgeniy Saburov, arrived for the debate. Deputies who support them refused to debate the bill and walked out of the debating chamber. At the same time pickets held a rally outside the Supreme Council. The demonstrators accused the Supreme Council of usurping power, of deceiving the electorate, and of deviating from the Crimea's pro-Russian interests. They called for signatures to be collected in support of Yuriy Meshkov. Despite all this the law was adopted.

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However, there was an unexpected and emotional sequel to this. President Yuriy Meshkov appeared in the debating chamber. He called on the deputies to rescind their decision, to have second thoughts, as he put it. This law runs counter to the Constitution, he said.

Well, clearly, the controversy over this law will come to a head at the next session of the Supreme Council—likely to be held in a week's time—as the law on the government of the Crimea can only come into force after the relevant amendments have been made to the Constitution of the Republic of Crimea. This issue will arise in exactly a week's time. Thank you.

[Announcer] And thank you. That was Vladimir Plotnikov in Simferopol.

Law Takes Executive Role from Meshkov

LD2909193194 Moscow INTERFAX in English 1724 GMT 29 Sep 94

[Text] On Thursday the Supreme Soviet of Crimea debated and passed a law on government under which the prime minister, not president shall be the chief executive in the republic.

68 out of 93 deputies present supported the law. 14 abstained from voting.

A group of supporters of the Crimean President Yuriy Meshkov in parliament declared the adoption of the law illegal and insisted on a new round of voting.

On September 7 the Crimean parliament restricted the powers of the president to the functions of the chief executive.

Deputies Comment on Law 'On Government'

LD2909221794 Kiev UNIAN in Ukrainian 2010 GMT 29 Sep 94

[Excerpt] [Passage omitted] The deputies to the Supreme Council of Crimea comment on the adopted law "On the Government."

Leonid Hrach, first secretary of the Communist Party of Crimea: "The parliament of Crimea made a decision that it had to make. The executive power has been inactive for eight months. In this most difficult situation this law is extremely necessary. I think passions will calm down soon and the government will resume its normal activities."

Anushavan Danelyan, member of the Presidium of the Supreme Council: "By adopting the law 'On the government' we did away with anarchy. Now we will have an executive power responsible before the people of Crimea." Vadym Mordashov, people's deputy of Crimea, member of the deputy group Republic: "The law, undoubtedly, was utterly necessary, however, in my opinion, we are facing a major problem of elaborating the mechanics of putting this law into effect."

Volodymyr Karpov, Crimean president's first aide said the president exhausted all the possibilities for reconciliation with the parliament. In this situation, he said, Yuriy Meshkov will not make any "sudden movements" but will wait for a meeting with Serhiy Tsekov, Leonid Kuchma, and Oleksandr Moroz, which is being initiated by the deputies to the Supreme Council of Ukraine who arrived in Simferopol today.

Meshkov Asks Parliament to Annul Decision

LD2909212594 Moscow INTERFAX in English 1901 GMT 29 Sep 94

[Text] Crimean President Yuriy Meshkov has proposed the Crimean Supreme Soviet annul its decision today to strip him of his powers as head of the executive.

Speaking in parliament shortly after it passed a law on the republican government, Meshkov accused deputies of breaching the law and of an attempt to unite the legislative, executive and judicial powers in the hands of the Supreme Soviet of Crimea.

"The goal set by a part of the deputies' corps of the Crimean Supreme Soviet has been achieved—the anti-constitutional coup is complete," he said.

Meshkov pointed out that the decision "had been made in violation of the acting Constitution of Crimea and has nothing to do with the interests of Crimean citizens."

Meshkov hoped "the executive may be at last left alone to work calmly. This is the last persuasion rather than a request," he added.

Meshkov called on the deputies to comply with the resolution of the Ukrainian Supreme Soviet instructing the Crimean parliament to bring the Crimean Constitution in line with that of Ukraine until November 1, accept the Ukrainian leadership's proposals and start to fulfill its duties.

The Crimean law on the government will come into force once the Crimean Constitution proclaiming the president head of the executive is correspondingly amended.

Ukrainian Parliament Decree on Crimea

944K2418A Simferopol KRYMSKAYA GAZETA in Russian 27 Sep 94 p 1

[Decree of the Supreme Council of Ukraine: "On the Political-Legal Situation in the Autonomous Republic of Crimea"]

[Text] The political crisis in Crimea was caused by the extremely unsatisfactory solution to socioeconomic problems and the inability of the executive and legislative powers to find more effective approaches to solving them. On the basis of an analysis of the situation in the Autonomous Republic of Crimea done by a temporary deputy commission that worked in the Autonomous

Republic of Crimea from 16 through 20 September 1994, the Supreme Council of Ukraine decrees:

1. It shall agree with the assessments regarding the situation in the Autonomous Republic of Crimea contained in the statement of the Presidium of the Supreme Council of Ukraine of 12 September 1994 and the conclusions of the temporary deputy commission.

2. It shall address to the president of Ukraine, as the guarantor of the observance of the Constitution and the laws of Ukraine, a proposal to take measures to bring acts of organs of executive power of the Autonomous Republic of Crimea into compliance with the Constitution and laws of Ukraine, particularly the edicts of the president of Crimea concerning the suspension of the activity of the Supreme Council of Crimea and local councils at all levels, which are leading to the elimination of popular rule in the autonomous entity.

3. The Supreme Council of the Autonomous Republic of Crimea shall, before 1 November 1994, bring the Constitution and laws of the Autonomous Republic of Crimea into compliance with the Constitution and legislation of Ukraine.

4. The temporary deputy commission for studying the situation in the Autonomous Republic of Crimea shall continue its work. In the event that the Supreme Council of the Autonomous Republic of Crimea does not comply with Point 3 of the present decree, in conjunction with the commission on questions of legal policy and judicial-legal reform, before 1 November 1994 the draft decree of the Supreme Council of Ukraine on measures ensuing from the Constitution and laws of Ukraine shall be submitted.

5. The Cabinet of Ministers of Ukraine shall render to the Autonomous Republic of Crimea assistance in solving problems related to preparations for the 1994-1995 winter and the implementation of measures for improving the sanitary-epidemiological situation in Crimea.

6. The results of the implementation of the present decree shall be considered before 5 November 1994.

[Signed] Chairman of the Supreme Council of Ukraine
A. Moroz

[Dated] Kiev, 22 September 1994

Ukrainian MP's Arrive To Defuse Situation

LD2909163094 Kiev UNIAN in Ukrainian 1540 GMT
29 Sep 94

[Text] Simferopol [no dateline as received]—A Ukrainian delegation, led by Ukrainian People's Deputy Yuriy Karmazin, arrived in Crimea today. Yuriy Karmazin explained that his emergency arrival had to do with the Crimean Supreme Council debating the draft law "On the Government." He told a UNIAN correspondent that "the passage of the draft law in its present form by the Supreme Council will lead to the destabilization of

power in the republic." The draft law, in his view, is in breach of Crimea's Constitution.

Yuriy Karmazin underlined that the aim of the Ukrainian parliamentarians's arrival was to implement the Supreme Council of Ukraine resolution and develop a mechanism in order to bring the Constitution of Crimea in line with that of Ukraine. If this is achieved, he believes the situation in the peninsula will normalize at once.

Yuriy Karmazin's opinion is that responsibility for the present situation in Crimea rests both with the government who should have acted and the Supreme Council who should have supervised the work of this government.

Representatives of Ukraine's power-wielding structures are today arriving in Crimea.

Deputies Assess Kiev Talks

LD2909215294 Moscow INTERFAX in English 1907
GMT 29 Sep 94

[Text] The Crimean parliament will not take unilateral decisions without mutual consultations with Ukraine. The leader of the Reforma (Reform) faction of the Ukrainian parliament Vladimir Shevyeve has said in an interview that the agreement was concluded as a Crimean parliamentary delegation visited Kiev.

Shevyeve said there was no "dictating" on Ukraine's part.

The Ukrainian President Leonid Kuchma at his meeting with the Crimean deputies on Wednesday said that any encroachment on Crimea's autonomy is ruled out, the Crimean Communists' leader Leonid Grach told Interfax-Ukraine.

Grach said President Kuchma promised he would strictly honor the Crimean Constitution would not let Crimea leave the Ukrainian constitutional space. He would also take action to ensure law and order in the peninsula.

Leonid Kuchma reportedly insisted that the Crimean parliament should adjust its legislation to the Ukrainian Constitution.

"The Ukrainian President is in full control of the situation in the Crimea", Grach said.

Another participant in the meeting, people's deputy Sergei Nikulin, of Crimea, has said that the Ukrainian leaders are certain that the Crimean parliament is capable of resolving Crimea's problems on its own.

"The Ukrainian leaders promised supplying Crimea with everything necessary as soon as the autonomy has an instance with which one can work", Nikulin said.

Action Threatened Against Crimean Parliament

LD3009101394 Kiev Radio Ukraine World Service in
Ukrainian 0600 GMT 30 Sep 94

[Text] If Crimea's parliament does not bring the Constitution of Crimea in line with that of Ukraine, the

Supreme Council of Ukraine can disband the peninsula's legislature and make appropriate decisions on the autonomy of Crimea. This was a statement by Oleh Dyomin, Ukraine's deputy parliament chairman, in an interview with journalists in Kharkov.

Latest Reportage on Rising Cholera Epidemic

Crimean Statistics Reported

944K2418D Simferopol KRYMSKAYA GAZETA in Russian 27 Sep 94 p 1

[Unattributed report: "Not Before the Holidays"]

[Text] Yesterday in Crimea, there were 111 people ill with cholera and seven have already died. All the victims are from Simferopol and Simferopolskiy Rayon.

Chief State Physician of Crimea Boris Nikolayevich Lezhentsev thinks that the situation with respect to the spread of this terrible disease to other regions of the peninsula is being monitored both by medical experts and by administrative organs. There are sufficient quantities of all the necessary medications, saline solutions, etc. to treat the cholera patients.

A couple of days ago, the chief state physician of Crimea issued a decree with which everyone should be familiar. During the period of epidemiological complications related to cholera and also because of the shortage of drinking water in the cities and villages of Crimea, all mass measures have been prohibited. And many of them were planned for the end of September and the beginning of October—both local and international. So we will have to have patience when it comes to holiday celebrations and conferences.

Epidemic Spreads to Donetsk Region

LD2909104994 Moscow ITAR-TASS in English 1035 GMT 29 Sep 94

[By ITAR-TASS correspondent Anatoliy Gordeyev]

[Text] Mariupol September 29 TASS—Cholera epidemics in Ukraine spread to the Donetsk region in the east of the country. Two cholera-sick people were registered in the city of Mariupol on Wednesday. It was found out that they got the disease after eating fish.

The two people did not request medical assistance and tried to cure themselves with their own medicines. Both have been hospitalized in grave conditions.

Over 500 cholera-sick people were registered in Ukraine, 14 of them died.

Chief Public Health Doctor on Epidemic

944K2418C Simferopol KRYMSKAYA GAZETA in Russian 27 Sep 94 p 1

[Interview with V.F. Mariyevskiy, chief public health doctor of Ukraine, by Galina Kostina; place and date not given: "Cholera. The Situation Is Under Control"]

[Text] [Kostina] Viktor Fedorovich, a Ukrainian government commission has arrived in Ukraine and has managed to analyze the situation regarding cholera. How do you evaluate it?

[Mariyevskiy] The situation is fairly complicated and serious. The measures taken in the city and rayon from the time of the report of the first nidus are significant on the scale of the present day. I say this because we must not fail to take all our problems into account—economic, political, disorder, breakdown of communications, varying jurisdictions—whereby it is difficult to find a structure that would encompass a branch or a particular sphere. The lack of complete controllability has undoubtedly added to the difficulty of taking all the necessary antiepidemiological measures. Nonetheless, these measures have been worked out in all areas and a good deal of work was done.

But, taking into account the sanitary-hygienic condition of the city and rayon, we cannot speak of success. And we cannot say that we are capable of preventing all acute intestinal disorders and cholera. I must note that acute intestinal disorders are no less dangerous than cholera, and their incidence continues to be high today. If we hospitalize about 150 people with acute intestinal infections each day, that, of course, is an indicator that not all is well in the region.

I will not describe at this time the entire list of shortcomings we have discovered along with the monitoring services; they are all reflected in the protocols of the meetings of the ChPK [Extraordinary Epidemiological Commission], which is headed by Yevgeniy Saburov. I very much hope that with this joint work we have managed to change the psychology of the leaders and residents of Crimea in this complex situation. But, once again, simply as a human being and as a doctor, I want to remind people: These infections can be prevented in an elementary way. By washing hands before every meal and using bleach and a chloramine solution. If that is not available, soap will do. Do not drink unboiled water. Do not use products if you have any doubt at all about their origin and quality. Do not buy them from questionable individuals. And this, I would say, will give a 100-percent guarantee of prevention of acute intestinal infections.

[Kostina] What can be said today about the dynamics of morbidity and the expediency of imposing a quarantine?

[Mariyevskiy] I do not want to draw any hasty conclusions, but we have preliminary assumptions that the main spread of cholera occurred before 15 September. We need three more days to confirm or refute these assumptions. We would like to believe the former.

As for introducing the emergency measures that were discussed at the commission meeting, we have conducted extensive consultations with scientists and specialists from the World Health Organization, and we have prepared our conclusions regarding this problem.

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We do not think that imposing a quarantine would have any effect. Moreover, that could lead to complicating not only the social but also the epidemiological situation. It is hardly possible to stop the flow of people coming to and going from the city. We are recommending a number of restrictive measures, and we are suggesting to the population of Ukraine, other CIS countries, and distant foreign countries that they refrain from traveling to Crimea. A large amount of preventive and explanatory work among the population is needed: We should not try to hide the disease, we should help reveal it, not neglect but maintain hygiene, and so forth. We have introduced restrictions on the sale of water, beer, and milk not already in containers—just to cover all possible factors in the spread of disease.

[Kostina] And what has been decided about the restrictions on travel in and out of Turkey?

[Mariyevskiy] As concerns Turkey, like other countries as well, according to international medical-sanitation rules, each country where niduses of cholera appear must take measures to prevent the spread of the disease to other countries. Unfortunately, on the territory of Turkey, they do not keep track of these diseases and it gives no information to the WHO [World Health Organization]. Since we have one case brought in from Turkey to Chernovitsy Oblast, we have gained information about the niduses of cholera on the territory of that country. And there is information about this from various sources.

Here too we are recommending measures of a preventive nature: Refrain from travel, do not buy groceries in Turkey, perhaps temporarily ban the shipment of products in from there.

[Kostina] Judging from everything, your impressions amount to saying that the situation in Crimea is under control.

[Mariyevskiy] Yes. It has not gotten out of control. It is controllable. And I hope that by maintaining or, rather, increasing the rates of our overall work, in view of the fact that many leaders and many services have joined in recently, albeit after a "dressing down," the situation should not dispose us to panic or excessive alarm. I would refrain, for example, from making such statements regarding the situation in Nikolayev. The situation is much worse there.

Government Studies Cholera Situation

944K2418B Simferopol KRYMSKAYA GAZETA in
Russian 27 Sep 94 p 1

[Article from the press service of the Republic of Crimea: "In the Government of Crimea"]

[Text] The regular meeting of the Government Commission of Ukraine on Questions of Fighting Cholera and the ChPK [Extraordinary Epidemiological Commission] of Crimea held their regular meeting on 22 September.

The meeting was led by First Deputy Prime Minister of the Ukrainian Cabinet of Ministers V.I. Samoplavskiy. He took note of the efforts of the ministries of public health of Ukraine and Crimea and the Simferopol city executive committee for localizing and eliminating the niduses of the cholera. He mentioned the fact that the mass media must devote more attention to publicizing the prevention of acute intestinal infections and cholera. This work must be stepped up. A plan was earmarked for further work in conjunction with the ministries and departments of Crimea.

At the meeting, Deputy Ministry of Public Health of Ukraine V. Perederiya presented information about the sanitary-epidemiological situation in the schools and secondary and higher educational institutions. The schools have not been closed, and all measures are being taken in them for prevention of cholera. Because of the situation and the water shortage, three higher educational institutions have been closed for temporary vacation. Children's preschool institutions have been inspected, and the observance of sanitary and epidemiological measures in them is being strictly monitored. Classes in secondary educational institutions have been suspended in order to put the dormitories and class rooms in order. It was noted that there were no cases of illness related to the violation of sanitary and epidemiological measures in the schools.

Professor V. Alekseyenko gave a report on the study of sources and factors in the transfer of infection in the niduses of cholera. The presumed leading factor in the transmission of infection was the drinking water from the city water lines, which is polluted with industrial and fecal waste waters. But, when the drinking water was tested, no cholera pathogen was found. But world practice also shows that it is very difficult to isolate it. Attention is drawn to the fact that the first cases of cholera were observed in those microrayons where there was damage to the sewerage network. The effect of this factor could be local and could have been terminated after the hyperchlorinization on 14 September.

Other transmission factors could have had an effect as well, particularly pollution of the daily environment and consumption of food products and vegetables that were polluted during irrigation with water from the Salgir River. The transfer of the city to the regulated water supply contributed to the transmission of intestinal infections.

The question of the possibility of introducing quarantine measures was considered. Each day 25,000-28,000 people leave Simferopol. There is a sanitary-quarantine point in operation at the train station. The trains are inspected, and the train brigades are given instructions.

A report was heard from the Minister of Finance of the Government of Crimea L. Zaytseva on the condition and measures for improving the financing of measures for fighting cholera.

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The procurator general's office of Ukraine was informed about shortcomings in the operation of the sewerage complex of the 7th city hospital of Simferopol, discovered during an inspection. There were many complaints against the city water and sewerage services and the sanitary and epidemiological service. The procuracy is filing criminal charges upon investigation of cases of a negligent attitude on the part of employees toward their duties. The city council and the city executive committee have been instructed to take emergency measures to restore the proper sanitary-epidemiological order in Hospital No. 7.

Questions of the state of affairs in the city's markets and a report on closing random markets were considered.

Various instructions were issued to the Civil Defense staff of Ukraine, the Ministry of Public Health, the leaders of the Crimean division of the Dniepr Railroad, the republic sanitary and epidemiological station, the Ministry of Internal Affairs, the State Housing Committee, and the Ministry of Defense.

The government of Crimea has been instructed to take measures to ban in Crimea functions involving mass assemblies of people—conferences, meetings—until the niduses of cholera have been eliminated.

Health Legislation Violations Uncovered

LD2909182194 Kiev UNIAN in Ukrainian 1540 GMT
29 Sep 94

[Text] Kiev [no dateline as received]—The press center of Ukraine's procuracy general told UNIAN today that the checks made found serious violations of the law of Ukraine "On Ensuring the Population's Well-being in Sanitary and Epidemiological Terms," both by Ukraine's Health Protection Ministry and local authorities. In particular, neither V. Mariyevskyy, the chief state sanitary officer of Ukraine, nor A. Moyseyeva, the chief of the Health Protection Ministry's Main Sanitary and Epidemiological Directorate, took any timely preventive steps to avert mass cholera infection. As a result, in most regions, in particular where the cholera epidemic has spread, these steps were taken belatedly, after people had already fallen ill. Nor were all regional sanitary and epidemiological stations and local authorities given timely information about the source of the illness being fresh fish that might be on sale by commercial structures. The spread of cholera was considerably facilitated by water companies that, in breach of health regulations, have been discharging raw sewage into open reservoirs and rivers for years. In the town of Yevpatoria, the sewage from a local VD [Venereal Disease] clinic has flowed straight into the sea without any purification whatsoever. Health services were also found to have committed countless other violations in performing their functions.

As a result of the checks, the procuracy has instigated criminal proceedings in 15 cases, served local authorities

and health protection services with 88 writs stating the urgent need to eliminate the violations uncovered, and prosecuted some 100 officials.

It has informed Ukraine's Supreme Council and president about the violations uncovered, and raised the issue of the expediency of holding of office by Ukraine's chief state sanitary officer and a number of health services officials. In exercising its powers, the procuracy continues to take the necessary measures so as to avert health regulation violations.

Kuchma Appeals for 'Serious Financial Support'

MS3009105594 London FINANCIAL TIMES in
English 30 Sep 94 p 18

[Article by Leonid Kuchma, President of Ukraine:
"Ukraine's Blueprint"]

[Text] When Ukraine became an independent country in 1991, it was poorly prepared. The state lacked elementary national institutions, and our terms of trade deteriorated sharply, as Russia raised its energy prices in 1992, leading to a severe structural balance of payments deficit.

During the past couple of years, Ukraine has also been the victim of misconceived economic policies. As a result, it was hit by hyperinflation of 10,155% in 1993, as well as a drastic fall in production, a sharp decline in the standard of living, and corruption. But to its credit, Ukraine enjoyed democratic presidential elections and a smooth transfer of power this summer.

By 1994, the economy was in a terrible state, with two overwhelming problems facing the country. First, the budget deficit was projected at 20% of gross domestic product for this year. Second, our trade deficit was running at \$3bn a year. I have made the solution of these two challenges my political priority, because if they are not brought under control, the very survival of Ukraine could be endangered.

To make my priorities clear to the international community, I invited Mr. Michel Camdessus, managing director of the International Monetary Fund, as my first official foreign guest after being elected president of Ukraine in July. Two months later, Ukraine concluded its first agreement with the IMF, on a Systemic Transformation Facility (STF), finally signed yesterday.

We are initiating comprehensive economic reforms in Ukraine, drawing on the successful experiences of other countries in transition from administrative command economies to a market economy.

We have been successful in maintaining our budgetary revenue at about 40% of gross domestic product. But our first step will be to bring down the budget deficit for this year to 10% of GDP.

To accomplish this, we have decided to undertake some important reforms. We shall unify our exchange rate and

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abolish all import subsidies although that will bring about substantial price increases of imported oil and natural gas. Similarly, to reduce large subsidies for coal, we shall allow the domestic price of coal to rise. Certain agricultural prices will also have to rise, and rents will be gradually increased to reduce housing subsidies, but compensation will be given to the disadvantaged and a social safety net will be developed.

The National Bank of Ukraine is already pursuing a responsible monetary policy. It has brought inflation down to 2.5% a month in both July and August of this year, though certain parliamentary decisions in August have led to a number of agricultural credits that have boosted inflation in September and depressed the free market exchange rate.

The second step will be taken at the beginning of next year. It is my intention that Ukraine shall conclude a fully-fledged "stand-by" agreement with the IMF this year. I then want my government to implement a macroeconomic stabilisation programme. The budget deficit must not be larger than can be financed—at about 5% of GDP.

Prices will be further liberalised and domestic trade completely so. All remaining export restrictions can then be abolished. In parallel, I intend to activate small-scale privatisation and initiate a mass privatisation before the end of this year.

Our present tax system is a shambles, with far too many loopholes and tax rebates. I have instructed my administration to put the system into order before December. Draft legislation has already been drawn up, cutting tax rebates to reasonable levels by international standards.

The short-term symbol of success will be the stabilisation of the national currency, the hryvnia, in terms of both domestic prices and the exchange rate. Therefore, I want to peg the exchange rate of our currency from the beginning of 1995 and exchange our provisional coupon currency for our national currency. Its stability will symbolise Ukraine's maturing statehood.

The people of Ukraine have decided to put the economy right and we are prepared to bear the costs of adjustment. However, our economic situation is difficult, and our imports have already been reduced to a bare minimum. Further reductions would cause more suffering than I can justify to my people.

I am appealing to the international community to provide Ukraine with serious financial support now that Ukraine has become serious about reforming its economy. We are already working closely with the IMF, the World Bank and the European Bank for Reconstruction and Development, but we shall need bilateral financing from the Group of Seven and other Western countries, as well as Russia, which is de facto our main creditor.

The G7 promised Ukraine financial support of \$4bn at its Naples summit in July. This should now be forthcoming.

Ukraine's need for international financing is quite obvious. Even after severe cuts in our imports, the current account is likely to amount to \$3bn next year. Essentially, the whole deficit is being caused by imports of oil and natural gas from Russia. Therefore, international financing needs to be made available for our energy payments to Russia.

Our international reserves are run down and they need to be replenished by at least \$1bn. In order to introduce the hryvnia, Ukraine will need a stabilisation fund of \$1.5bn, so that a stable exchange rate can be defended. Altogether our financial needs for 1995 amount to \$5.5bn, and the IMF has assessed our balance of payments need for the rest of this year at almost \$1bn.

A first tranche of the STF will provide us with \$360m, but that will not be enough. We have proposed to the U.S. that \$200m of unused technical assistance grants be transformed into balance of payments grants. For the rest, we hope for matching funds from other countries.

One of Ukraine's many advantages is that its foreign debt is actually limited, at about \$7bn, including the arrears on energy deliveries from Russia and Turkmenistan, while we estimate that our total export of goods and services will amount to \$15bn this year. A large part of our current debt consists of arrears that need to be regulated and rescheduled so that we can repay them.

As our economy becomes more open, we also hope to attract substantial foreign investment. With an excellent geographical location and a highly educated labour force, Ukraine is well placed to achieve high economic growth in the future.

But our chances of success will be greater if we receive appropriate international financial support to facilitate our transition until private investments start flowing in.

Masol Announces IMF-Sponsored Anticrisis Program

LD2909161794 Kiev UNIAN in Ukrainian 1215 GMT 29 Sep 94

[Text] Kiev—Ukraine's Premier Vitaliy Masol said today that it would be "impossible to finance the existing budget deficit without foreign sources." He added: "Printing blank currency is a road to nowhere."

Masol said that the Ukrainian Government and the International Monetary Fund have developed a program to overcome the crisis and ensure macroeconomic stabilization of the economy, which will be funded with the aid of the IMF.

He said that successful implementation of the Ukrainian Government's program commitments would require

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understanding and support among society. The Government is counting on support from international financial circles and hopes that the adoption of the program will facilitate constructive dialogue between Ukraine and its creditors.

The Ukrainian premier said: "Further reform of Ukraine's economy will be undertaken alongside efforts to ensure the best possible social protection of the population." He expressed the hope that the IMF will abide by its commitments, and that "next year will be a period of social and economic stabilization in Ukraine."

Economy Minister on Reform, Debt, Trade

MK2909115094 Moscow KOMMERSANT-DAILY in Russian 29 Sep 94 p 3

[Report by Viktor Zubanyuk on interview with Ukrainian Economy Minister Roman Shpek: "Ukrainian Economic Policy. Economy Ministry Bets on Pragmatism"—place, date not given]

[Text] The Ukrainian Government has drastically intensified its economic policy recently—largely under pressure from international creditors. Moreover, precisely at this moment the Ukrainian authorities are busy adjusting their relations with Russia in connection with the signing of documents on economic integration of the CIS countries and the drafting of a new Russian-Ukrainian treaty. In that regard, a fairly pragmatic stance by Ukrainian Economy Minister Roman Shpek, which was spelled out in a conversation with your KOMMERSANT-DAILY correspondent yesterday, holds considerable interest. In particular, the minister made no bones about the fact that Ukraine is ready to do its utmost to obtain Western financial assistance and to persuade Russia to reschedule Ukrainian debts.

On the Unique Nature of Economic Reform in Ukraine

The uniqueness of Ukrainian reform (albeit fairly relative, if one remembers Russia) stems from the fact that it is being carried out in extremely unfavorable economic conditions. This is why at present Ukraine is unable to restructure its economy quickly, given extreme financial instability, nonpayments across the board, and hidden unemployment that has currently hit at least 25 percent of the able-bodied population. "A restructuring, a modernization? Yes, but not everywhere and not for all at once. We are too poor for so costly an enterprise," Mr. Shpek stressed.

For this reason, the main objective in economic reform is fairly limited—just to achieve at least a partial stabilization of monetary policy. A budget for 1995 should be drawn up in such a manner that it would reflect the real state of the economy, not designed to hide the actual budget deficit by all possible means. Evidently, one should seek to reduce the deficit, otherwise one will have to resort to extra money creation. For this very reason the government will submit proposals to the Supreme

Council in the very near future calling for measures that will make it possible to cut the 1994 deficit down to 10 percent. Despite doubts lurking in the business and political communities in that regard, the government reiterates that a significant reduction in subsidies to producers is possible and insists on the transition to a practice of granting loans only with firm guarantees that they will be repaid.

The Ukrainian Government does not think it necessary to conceal the fact that budget stabilization as the current chief priority of reform is badly needed also because it will bring Ukraine closer to receiving financial assistance from the international community. Kiev plans to spend the money to be received from the IMF and other international financial organizations on stabilizing the national currency, to service its foreign debts, and to finance vital imports.

The situation with privatization in Ukraine appears fairly idiosyncratic. The Ukrainian parliament just recently made a decision to put privatization on hold. Roman Shpek is certain, however, that the halt will not last long. This confidence is easy to explain—privatization, just as budget stabilization, is a *sine qua non* for granting Ukraine international financial assistance to finance its economic restructuring projects. Notably, Ukraine was unequivocally reminded of that by IMF representatives during a recent meeting. In Mr. Shpek's view, the Supreme Council will have to heed this circumstance.

On Participating in Integration, Economic Cooperation With Russia, and the Debt Problem

Ukraine's participation in the CIS Economic Union as a full, not associate, member would be advantageous to Kiev, Roman Shpek thinks, only if it calls for equal economic relations within its boundaries. For instance, if Russia established the same oil and gas prices for both domestic and Ukrainian consumers. This would make it possible to raise the competitiveness of Ukrainian products, particularly on the Russian market. "But if the conditions are not equal, what can we gain from a membership of the Union?" the economy minister asked rhetorically. Moreover, Ukraine could resolve many problems even without being a full member of the economic union, Shpek believes, citing the fact that during his recent talks with his Russian counterpart, Aleksandr Shokhin, an agreement was reached on cutting considerably the number of exemptions from the free trade agreement with Russia (currently, there are more than 40 such exemptions).

Remarkably, Ukraine has a fairly positive view on Russia's latest initiatives on restoring economic ties by setting up multinational companies and joint ventures. But here again, Shpek emphasized, Ukraine should study on a case-by-case basis what it can gain from setting up one multinational enterprise or another. For instance, if this calls for joint activity by Russia's gas producing enterprises and Ukraine's gas refineries which would

result in manufacturing and selling competitive products, with profits to be split between partners in the joint venture or allocated within the multinational company, this would be fully in line with Ukrainian interests. In any case, however, both Ukraine and Russia should carry out the indexation of fixed capital, work out a single system of property valuation taking into account not only the cost of facilities and equipment, but the effectiveness of the future joint business. The creation of such companies could be largely aided by the upcoming agreement on multinational companies, which will be signed as part of a wide-ranging treaty between Russia and Ukraine, on which experts of both countries are actively working at this stage.

On the Debt Problem

As for Ukrainian debt to Russia, the Kiev authorities hold an unequivocal view: Debts must be repaid. Presently, however, Ukraine is clearly unable to repay all creditors. "We will have to ask Russia for a deferral of the payments," Shpek conceded, adding that Ukraine could argue that this practice is universally applied and that Russia, for instance, has been given a similar deferral by the Paris Club of Creditor Countries.

The economy minister's stance on the foreign debts of the former Soviet Union is fairly noteworthy ("I cannot speak about the stance of the Kiev authorities on the subject," he stressed). Roman Shpek's personal view is that a "zero option" in allocating the debts and assets of the former USSR is not off the agenda yet. Shpek himself stands precisely for the "zero option." At the same time, his stance is very pragmatic: The question of allocating the USSR debts must finally be resolved primarily in order to negotiate with Russia the rescheduling of Ukrainian debts due to it.

Of course, Shpek pointed out, there is something left from the Soviet Union—gold and diamond reserves, for instance. From a purely legal point of view, Ukraine has the right to them and could well claim its share. The talks on the matter could drag out, however. "And when will we be able to get all that? In 30 or 50 years? So do we really need to focus our efforts on that?" the Ukrainian economy minister concluded. Being pragmatic, he thinks that holding out the hope to the Ukrainians that their problems could be resolved with the gold and diamonds of the former USSR would be inadvisable, whereas Russia has formidable leverage to pressure Ukraine. The struggle for the former USSR's assets has been fueled by the games of various political forces in Ukraine, not economic interest, Roman Shpek stressed.

On Ukraine's Future Foreign Economic Area of Expertise

It is clear, Shpek thinks, that Ukraine will try to pursue a foreign economic policy that will be as open as possible, entering new markets, but not abandoning old ones—including the Russian market, which has priority importance for Ukraine. The desire to enhance foreign

trade has been restrained, however, by the crisis inside the country. By Economy Ministry estimates, in 1994 Ukraine's foreign trade deficit was to exceed \$3 billion, even though in reality it will be smaller "simply because few people are eager to give us credits to finance imports." Ukraine receives less oil and gas than scheduled because it cannot pay for deliveries on time. This, in turn, is becoming an additional factor compounding the production slump. This is why we need to revise our foreign economic policy, to balance exports and imports in a proportion more advantageous to Ukraine.

As for long-term prospects, Shpek thinks that Ukraine, by virtue of its geographical location, should orient itself toward both Western and Eastern markets. While realizing that the Russian market is a priority for it, Ukraine should by no means see it as the only one. This is just as dangerous as considering Russia the sole source of raw material and energy resources.

The Ukrainian Government is pinning its highest hopes on defense industry products for enhancing exports. "Ukraine should enter the world arms market without too many scruples—all the more so because those who are trying to convince us not to do so are themselves actively operating on that market," the economy minister stressed. In his words, the only problem is that Ukraine cannot manufacture weapons fully on its own: To this end, it must restore partnership ties with arms producers in Russia and other CIS states.

Miners' Trade Union Appeals for Wage Increase

LD2909173394 Kiev UNLAR in Ukrainian 1520 GMT 29 Sep 94

[Text] Kiev, 29 Sep—The Independent Trade Union of Ukraine's Miners [NPHU] has appealed to the president of Ukraine, the Supreme Council chairman, the premier, the minister of industry, and the chairman of the State Coal Industry Committee [DerzhVuhleProm]. The appeal, in particular, points out that:

"In connection with a permanent decrease of real wages at the enterprises of the coal and oil extracting industries of Ukraine, the NPHU demands that:

1. The minimum wage paid by the state should be at the level of the minimum consumer budget, with regional peculiarities of the consumer market taken into account.
2. That wages, pensions, and grants be indexed in advance on a monthly basis, proceeding from the forecasts made by the oblast board of statistics.
3. A law or edict should be adopted on criminal liability of the owner or the body (leader), authorized by the owner, for the delayed payment of wages.

Aide Advocates Formation of Centrist Party

LD2909202594 Kiev UNLAR in Ukrainian 1520 GMT 29 Sep 94

[Text] [No dateline as received]—A news conference, held by Volodymyr Hrynyov, the Ukrainian president's

adviser for regional policy issues, chairman of the Inter-regional Bloc of Reforms, dealt with issues of the socio-political situation and party building. Mr. Hrynyov said that Ukraine is currently becoming weaker as a state, while its regions consolidate their positions. This is a very dangerous phenomenon that may lead to Ukraine losing its independence, Volodymyr Hrynyov pointed out.

In the opinion of Mr. Hrynyov, this can be prevented by setting up a party of a centrist orientation. Ukraine's President Leonid Kuchma also supports the idea of setting such a party. The party should be set up on the basis of the Interregional Bloc of Reforms (MBR). An organizing committee has already been formed of representatives of 16 regional groups. The constituent congress of the party is due to be held in November. The main tasks of the newly-created party will be to implement political and economic reforms in Ukraine. Mr. Hrynyov said that the setting up of full-fledged state bodies of power and the adoption of an interim constitution will promote political reforms. Guaranteed rights to ownership and legal protection of the rights of businesses would promote economic reforms.

Replying to journalists' questions about his attitude to the economic treaty between Ukraine and Russia, Volodymyr Hrynyov emphasized that this is the most important treaty to be signed by our state over the past few years. He also stressed that we should in every way possible defend the issue on the inviolability of state borders. Concerning Leonid Kravchuk resuming his political activities, Mr. Hrynyov pointed out: "Such a figure as Kravchuk never abandons politics. It is difficult to say now what place he will occupy. I would like him to be somewhere closer to the center. I would not like Mr. Kravchuk to unite national-patriotic forces."

Navy Officer Depicts Situation, Blames Moroz

WS2809110094 Simferopol KRYMSKA SVITLYTSYA
in Ukrainian 10 Sep 94 p 1

[Report by Lieutenant Colonel Leonid Stasyuk: "If Oleksandr Moroz Were To Resolve the Future of the Black Sea Fleet, He Would 'Give it to Russia Without Any Kind of Compensation'"]

[Text] Our state's top officials seldom visit Sevastopol, perhaps considering it a foreign land, albeit a near one. The recent visit by Ukrainian Supreme Council Chairman Oleksandr Moroz was almost accidental, given that the speaker visited the city while on vacation. Some reporters, however, succeeded in meeting with Moroz.

I, as well as other members of the mass media, had a list of questions to ask the parliamentary speaker. Unfortunately, the impromptu news conference was held at the gangplank of the Hetman Sahaydachnyy [Ukrainian Navy cruiser], and there was no way to present Oleksandr Moroz with the list of questions. I do not

regret this, for after I heard his very first answer to a question asked by MOLODA HVARDIYA reporter Volodymyr Prytula, I lost my desire to ask anything.

The standpoint of the Supreme Council chairman was startling. I think that after hearing the speaker's answers, the reporters had no doubts that the Ukrainian leadership treats the Navy as some unnecessary headache, which should be gotten rid of as soon as possible. However, our legislature seems to have its own way to cure this headache—by pretending that the problem does not exist. "If I were to resolve this problem"—Moroz said, dumbfounding the reporters—"I would give the entire Black Sea Fleet to Russia without any kind of compensation." So to speak, you, the Ukrainian people, can continue to deny yourself many things to build the Navy, however, the Navy is insignificant for certain top Ukrainian officials. I would like to believe that this is just the personal opinion of Oleksandr Moroz. However, it frightens me to even think what may happen is Moroz chooses to prove this to parliament. It is no secret that Admiral Kasatonov [Black Sea Fleet former commander] would be very happy with this kind of standpoint—by now, Ukraine would have neither the Navy nor any kind of compensation. The legislative speaker may be rich, but the state is not.

To shed at least some light on Ukraine's chances of being protected by the Black Sea Fleet, let me cite some examples (for Moroz, too) from reports published by FLOT UKRAYINY in 1994.

According to an order from the Black Sea Fleet Staff, communication lines between the Ukrainian Air Force Staff and airfields have been disconnected.

Ukrainian ships anchored at the moors of Sevastopol's North Bay cannot use the existing cable network for communication with the Navy Staff. Meanwhile, the Black Sea Fleet is using more than 40 telephone channels allocated by the Ukrainian Army. Appropriate services of the Black Sea Fleet do not permit Ukrainian Navy ships to use retransmitters to communicate with the staff. The system of control and communications is being purposefully destroyed. Devices for technical identification have been removed from all the radiotechnical facilities between Izmail and Kerch. A radiotechnical squad on Zmiynyy island has been dissolved, which makes navigation in the Danube delta and the northwestern Black Sea dangerous. In January, all navigation lights were turned off in the northwestern part of the Black Sea and the Azov Sea. Many times, Black Sea Fleet ships refused to rescue Ukrainian fishermen and sailors who were trapped by ice in the Azov Sea. For two years, the Black Sea Fleet command has refused to escort ships belonging to the Danube Steamship Line on their way to former Yugoslavia and back. As a result, more than twenty Ukrainian ships have been fired upon by artillery and small arms. The Black Sea Fleet command has also refused to send specialists to deactivate a World War II ammunition depot in Sevastopol's Hollandiya Bay, an

anchor mine in the Danube's ~~Stambul~~ Stambuiska Bay, and a similar mine along the Crimean shore.

Can we rely on the Black Sea Fleet to guarantee the protection of our state's territorial waters? I want to remind you that at the same time, Russia is not paying for the stationing of its troops on our territory. However, what happens if everybody has to pay for everything—both us and them? What happens to those who were kicked out of the Black Sea Fleet merely for swearing allegiance to Ukraine; who are beaten up in the streets for serving Ukraine and wearing Ukrainian insignia? Do Ukraine's leaders not care about their future?

Let us now talk about the differences in salaries in the Ukrainian Navy and the Black Sea Fleet. Answering a reporter's question whether it is normal that an ensign in the Black Sea Fleet earns more than Ukrainian Navy commanders, Oleksandr Moroz muttered something about stolen petroleum and the artificial exchange rate of currencies. According to him, if we calculate at a different exchange rate, it will turn out that our admiral earns more than a Russian ensign. In other words, we just do not know how to count.

Can Oleksandr Moroz then teach me and other Ukrainian servicemen how someone can live on 230,000-240,000 karbovantsi [K] a month, given that from my total salary of K1,385,000 I have to pay K1,000,000 for the apartment (which resembles a sty); K80,000 and K40,000 respectively I have to spend on renting a freezer and a television set; and up to K25,000 a month I pay for electricity. On 24 August I had K200, and the next payday is on 16 or 18 September.

I would like to inform the Supreme Council chairman that aside from these hardships, I have to live through humiliation while protecting myself and Oleksandr

Moroz. The point is that for most Sevastopol residents we are all "Banderites" [followers of nationalist leader Stepan Bandera] in the worst meaning of this word. How can this be measured with money?

I know that it is not polite to count somebody's money. However, the current salaries and various benefits cross the limits of common sense. This is indecent given the current situation, to say the least.

I cannot ignore the situation in housing construction. If one believes official Kiev's reports, we are going to receive 191 apartments in 1994, and even more in 1995. However, we know that in the previous two and a half years we received only a couple dozen apartments, and we had to fight for every one of them. Meanwhile, Moscow Mayor Luzhkov, who has promised to build a house for officers and ensigns of the cruiser "Moscow," is keeping his promise—a block of apartments will be built by the end of 1994.

For Russia, the Black Sea Fleet is a matter of honor. We know that in other [Russian] fleets, salaries have not been paid for three to four months. In the Black Sea Fleet, though, salaries are paid and increased regularly. The situation in the Ukrainian Navy seems to be aimed at reducing the Armed Forces. However, it is clear as day that the only people who seek termination of service are those who feel strong enough and have the kind of training that can help them find jobs in the private sector. More than 200 people have recently requested discharges.

Finally, I have not mentioned my family. I feel ashamed, for after moving here from the Far East two years ago, we have only lived together for a couple of months. This never happened to me before in more than 20 years of military service.

Perhaps, indeed, I do not know how to count money?

Belarus

Lukashenka Presents Anticrisis Program

WS2909140094 Minsk Radio Minsk Network in
Belarusian 0802 GMT 29 Sep 94

[Speech by President Alyaksandr Lukashenka at the Supreme Soviet session in Minsk on 29 September—live, in Russian]

[Text] Esteemed Supreme Soviet Chairman; Esteemed Deputies; Esteemed Belarusian Citizens!

I am speaking from the rostrum today with a special feeling, since the current session is the first working session of the Supreme Soviet after the introduction of the new Constitution of the Republic of Belarus. The voters will judge whether the parliament and the president are ready for everyday constructive work during the course of this session. Will the legislative and executive branches search for a way of achieving civil accord, or will the state and society be rocked by conflicts between the two branches of power? In the opinion of the president and the government, we all must now answer these very questions. To provide a reliable answer to these questions, however, we must all define priority issues to be included on the agenda. Will the highest authorities dissipate their work dealing with secondary, though also very important, issues, or will they deal with the most urgent ones? This is what the people are expecting from us today.

Undoubtedly, we are all aware that our main goal now is to define ways out of the economic crisis, in which the Republic of Belarus has found itself. A package of primary economic measures drafted by the government at the president's request, which has been submitted for your consideration, is devoted to the accomplishment of this very goal. This program has been drafted by representatives of the central and local authorities, specialists from the National Bank, scientists-economists, and practical workers. Proposals presented by the Trade Unions Federation and the Confederation of Industrialists and Entrepreneurs have also been taken into account. Unfortunately, a majority of our political parties and movements refused to participate in this work, preferring to primitively criticize the proposed document in the press, even though the president declared his readiness to engage in debate everybody who wants to constructively work, not only for their own political capital, but also on the final result.

While working on the program, we set the primary direction of our economic reforms—a socially oriented market. The most important demand regarding the program, which was put forward by the president, was the exceptional concreteness and feasibility of the proposed measures. The main criterion, which served for the president as the basis to give his consent to include this or that proposal in the program, was the inadmissibility of a further dramatic decline in our people's living

standards. Provisions of the proposed package of urgent measures are based on the president's election program, which regarded as priorities the battle against inflation; stabilization of the national currency; definition of efficient mechanisms for mutually beneficial economic cooperation with foreign partners, first of all, with Russia and other CIS members; and the struggle with economic and social reasons behind economic crime and corruption.

The measures envisioned in the program, provided that they are implemented in full, are able, in our opinion, to prevent a further plunge in the Belarusian ruble exchange rate, and stop the collapse of production. Among these measures are also ones of an openly unpopular nature, and this means that it will be impossible to completely avoid populist and unconstructive criticism by political forces. The program should become a document consolidating all state and social structures. We must all unite to implement it, since it is impossible to conduct efficient reforms unless universal civil accord is achieved. We must understand that nobody will help us if we do not help ourselves, and that we must now count on our own forces. The president believes that the primary goal of all the proposed reforms is an improvement in the life of our people and the protection of Belarusian statehood.

We must realize that this will be hard to achieve. As a matter of fact, there will be no substantial improvement in the next eight or nine months. During this period of time, however, conditions required for a future increase in production will be created, prices will be stabilized, and people will be able to feel more confident. At the same time, I would like to unequivocally and categorically dissociate myself from statements by certain political leaders, including certain ministers from the current government, that the people will have to tighten their belts. Perhaps those who will try to achieve this will actually have to tighten their belts. Perhaps their belts still have some holes to be tightened. One must be aware that only those who can still do this will tighten their belts, and those who are not able to do so, on account of their situation, will receive support from the state.

The program is of a personal nature. The authors of every single proposal and its final version are known. Members of the working group had an opportunity to voice the pros and cons regarding each proposal, no matter who presented it. The authors of the proposals included in the program bear personal responsibility for the consequences. All officials, indicated in the program as executors of specific paragraphs, will also bear personal responsibility for the implementation of the program.

A whole range of measures, essential to the full implementation of the program, have already been adopted by the president, the Cabinet of Ministers, and the National Bank. These measures have been consolidated by virtue of presidential decrees and government resolutions. We

hope that the Supreme Soviet members will also present their measures during this debate. I would like to ask you to do so. The government will try to take them into account, should they not contradict the general concept of the program.

I have entrusted Belarusian Prime Minister Mikhail Mikalayevich Chyhir and his deputy, Syarhey Stsyapanavich Linh, with the presentation of the package of urgent measures for overcoming the economic crisis at the Supreme Soviet, and additional explanations will be provided by scientists who drafted this document, should you so demand. I am therefore not going to exhaustively characterize the program now, but I will dwell on the moments which, in my opinion, the people would like to hear from the president himself.

One of our main goals is currently to improve the monetary-credit system. To achieve this, we propose to legislatively proclaim the National Bank note—the Belarusian ruble—the only legal tender on the territory of the Republic of Belarus. The program envisions a whole range of measures aimed at improving its solvency and stabilizing its exchange rate. At the same time, the measures submitted to you for consideration will assist mechanisms for curbing unjustified price hikes. In conditions of a reduced amount of money in circulation, to counter attempts by producers and retailers to make large profits through high prices and a lower volume of sales, we are going to increase state control over pricing mechanisms for one year.

We consider it essential to regulate prices of monopolistic enterprises and preserve fixed tariffs for municipal and housing services, transportation, and fuel, even though this requires colossal budget funds. To achieve this, appropriate measures will be taken and the controlling and regulating functions of the Economy Ministry Pricing Committee will be expanded. One must understand, however, that prices for imported energy sources should make it possible for us to repay our foreign debt, in this way reducing the influence of external sources of inflation.

Additionally, we believe that it is currently economically dangerous and incorrect to introduce a total system of direct administrative control over prices. This was confirmed by the economic situation which occurred in Belarus in May and July, meaning on the eve and immediately after the presidential elections. In this period, a populist pricing policy led to a steep plunge of the Belarusian ruble and devastation of the consumer market. In the past, everything was cheap. As a matter of fact, there were no goods. Around 35 percent of the budget was spent on subsidies for everyone indiscriminately. This, in our opinion, should not be repeated. This has been confirmed by the experience of our neighbors.

I am very often incorrectly criticized for the fact that prices are currently increasing. It would like the critics to indicate what should be done in this situation. There is no alternative. If we start to artificially curb prices—

though we are still doing this in accordance with our capabilities anyway—tomorrow, there will be neither foodstuffs nor cloths in stores, even those which can now be purchased. We have already gone through this, and I therefore have selected from this alternative the last thing, so that there are goods in stores. In general, there is currently everything in stores, albeit expensive. In the fourth quarter of this year, we are going to help and assist those who are experiencing hard times. This is why the president and the Cabinet of Ministers are going to switch from a policy of subsidies, indiscriminately granted to everyone, to targeted and requested subsidies.

The mechanism for remuneration for labor will also change. Efficiently operating enterprises already have an opportunity to allot from their revenues additional wages for their workers in the form of bonuses, personal raises, and compensations. Unfortunately, loss-making enterprises should also operate according to their means. We intend, however, to reduce the gap between price hikes and personal incomes by the end of this year. The government members will provide more details regarding this issue if it is necessary.

Speaking about social guarantees for the people, I consider it my duty to address such a sore question as housing. Currently, every third letter sent to the presidential office contains a request for assistance in resolving a housing problem. Unfortunately, I must say that the state will have to abandon the policy of egalitarianism with regard to housing. At this stage, public housing will be built exclusively for the most vulnerable categories of society—invalids, veterans of the Great Patriotic War, former soldiers—internationalists, families with many children, and certain other categories of citizens. We also propose to introduce income limits, according to which citizens who are in need of improving their housing conditions will receive special subsidies to participate in cooperative construction projects. We have also envisioned a mechanism for stimulating construction of cheap and charitable housing.

This audience has voiced many statements and questions as to whom will obtain housing. I would like to say briefly that everything from the welfare sector—I have in mind schools, hospitals, and housing—will be handed over to people to complete such projects. We are not going to hastily complete these constructions and then sell them to businessmen and other people for nothing. We are not going to do that. Before starting new constructions, we are going to complete those which are still unfinished.

We are not going to develop industrial projects in both the agricultural and industrial sectors. This policy has been supported by managers from these sectors, because the agricultural sector has enough capabilities to produce sufficient food. To provide work for all industrial workers, we have enough industry. There is another important thing. While investing, we should primarily invest in the development of the active part of our

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capital stocks—to buy tractors, combines, and vehicles for the agricultural sector, and in industry, to invest in purchases of machine-tools and new technologies.

The discussion of the document submitted to you, in my opinion, should result in a decision by the Supreme Soviet to give the president the right to implement main tenets of this program by his decrees and introduce changes to relevant laws [words indistinct] running counter to the Constitution. Let me immediately emphasize this: We are not talking about giving the president extraordinary powers, because according to the Constitution, the president's powers are already broad and far-reaching. However, there is practically no time today to separately adopt the program and introduce amendments to the current legislation. We are forced to do this simultaneously, because a delay will mean death for our economy. This approach is particularly relevant as the date is approaching, as determined by the Constitution, when the powers of deputies will expire. As you understand, the work of any new parliament will not be too constructive or efficient for the first few months. During this time, and this is inevitable, deputies will be preoccupied with political ambitions. In this connection, I would like to give more attention to this program, too. We simply have no right to leave this room without having adopted a decision on the set of measures which I am presenting to you today. Every week is extremely precious for us, especially now that we are preparing for work under wintertime conditions. I have met today with individual deputies, representatives of factions, and entire factions in our parliament. The constructively minded deputies expressed their concern about the fact that today, the president is not given reports about what is going on in reality. The Republic is not ready to work in wintertime conditions. And if you think that by giving lengthy speeches and dividing power in this room, we help society to consolidate—or at least, help our people survive the winter, keep boiler-rooms running and children warm—you are deeply mistaken. Today, we need something else. We must act, sometimes resorting to unpopular measures. If you think that the president has started to act too tough—while realizing at the same time that toughness is necessary—I am ready to relieve myself of responsibility in this situation and delegate, if I might say so, a portion of those actions to you, the people's deputies, Supreme Soviet members, and managers. Still, you will have to be held responsible for them, just like the president. Yes, as all of you are, I was a Supreme Soviet member, and only in this capacity am I responsible for the present situation in the Republic of Belarus. I will never, however, say that someone else should be brought to account. As president, I assume all responsibility for the present situation, as well as for the past. And I will be brought to account by the people for the way this program's provisions are executed.

Proceeding from such considerations, the president confirmed, and still does, that he will not call early legislative elections if the parliament is ready today to constructively cooperate, in the name of the people, with the

president. Let me note that we think that elections should not be set before a vertical chain of executive power is built, so that the regions are not plunged into anarchy. Because of time and resource considerations, it would be wise to hold elections for the Supreme Soviet and local governments simultaneously. Given the need for radical socioeconomic transformations, the president is submitting to the session a proposal for the reorganization of state power. The adoption of the proposed package of documents could create a system of efficient management of the state economic sector, as well as impose proper control over the implementation of decisions by government institutions. Among those documents, I would first of all single out the draft laws on the Cabinet of Ministers and on procedures for introducing changes and additions to the Belarusian law on local self-governments and economy.

As for the first law, the need to adopt it comes primarily from the fulfillment of Articles 106 and 108 of the Constitution. This draft law was prepared by the former Cabinet of Ministers, and substantially corrected by the present government based on prior experience. The foundation for the Cabinet of Ministers' legal status became the constitutional norm, according to which the Cabinet of Ministers is created under presidential supervision to execute the powers of the executive branch in the areas of economics, foreign policy, defense, national security, protection of public tranquility, and other areas of state control. The above constitutional norms are executed within specific powers of the government provided for by the present draft law.

The need to change and amend the law on local self-governments and the economy is also obvious. It is connected with the Constitution's provision about the president as head of the executive branch. The draft law on reforming the system of executive power was presented by the president on 15 September at the working meeting of oblast, city, and rayon council chairmen. The presented ideas were largely approved by that competent audience. Working on the proposed draft, we proceeded from the fact that the executive branch, as an independent branch of state power, should become the sweeping vertical structure, covering both central and local executive and administrative organs. We propose that the president appoint leaders of local executive organs. These kind of procedures for appointing and dismissing those leaders will enable us to carry out efficient state policies in the regions, as well as provide an opportunity to get rid of incompetent and inept leaders.

Esteemed People's Deputies! Due to certain tendencies inside and outside this room, I would like to bring your attention to the pivotal part of my report and the program in general. Unless we manage to constructively elevate the vertical executive structure and restore the manageability of the state, all programs, wishes, and simple measures will come crashing down. We will not be in a position to run this state. Today, everyone is watchfully looking at all of us. Should a breach appear—

you know this because you have all occupied managerial positions—a powerful stream of water will burst through this breach, destroying power in its way. This is why, frankly and before all the Belarusian people, I declare: I would like all of us, adhering to the Constitution, to come to an agreement that the president will have powers to form a vertical system of power. At the same time, the soviets are elected [as heard] and I will support this idea in the next elections—I have the right to elect my leader of a soviet, and it will be democratic. The division of powers wielded by the soviets and the executive government institutions is determined by the Constitution. I understand the left wing's excitement: What about the popular election of local leaders? Yes, the president came up with this idea at the meeting of local self-governments leaders and at the meeting of leaders of rural industries. It did not receive unequivocal support, and I believe this was done too early. This is why, at this stage, I was forced to hold off on this idea without abandoning it altogether.

So, I stress once again: According to the Constitution, the president has enough powers today. You should not, however, curtail them, relieving him of the possibility to govern the state. I want to reaffirm my readiness to cooperate with any deputy or citizen of our Republic, considering even their participation in forming the vertical power system and their participation in governing the state in general in this vertical structure. I will only cooperate with those people who are oriented toward constructive work, and not with those who are out to stir up confrontation in our society on the eve of elections. I serve as a guarantor of this before the Belarusian people and will not deviate one iota from this principle. As a human being, I would like to address those people who are 50 years of age or older. We will not hold power forever. There will come a time to go. All of us will swell the ranks of pensioners and veterans, who so desperately need support. Yes, we can act today to satisfy our personal ambitions, but what happens next? This is what we should think about—that we will soon become part of the majority called the people. Think about your own children. There is no totalitarian state in the Republic of Belarus, and there can be none, either. The Republic does not exist in a vacuum. It is surrounded by states which are proceeding in a specific direction. However much someone may want it, instead of running ahead, we are forced to take into consideration the reality taking shape around us. This is what prompted my proposals that concern the manageability of the state in the first place. I would like each deputy—in support of Aleh Trusaw's proposal—to vote by name on those urgent issues so that his position is seen clearly, and so that no one hides behind someone else's back. Nevertheless, esteemed people's deputies, if the president—who came here to discuss those problems, even though he could handle them singlehandedly—does not receive your support, he will be forced to form his own presidential administration at the local level, together with his team, the Cabinet of Ministers, and his backers in the regions,

forging his own vertical system of power and creating local administrations. I just cannot put up with leniency in the state and then say that I did not have sufficient powers. If I really did not have them, I could use that as an excuse. But today, you gave the president, according to the Constitution, all necessary powers, sometimes even extraordinary powers. In the name of the people, I am ready to use them.

The issue of the organization of state power is also connected with a packet of laws concerning the electoral system. It includes the law On Election of Belarusian People's Deputies, the law On Election of Local Soviets, and the closely related laws on political parties and associations. To hold civilized and democratic elections of representatives of government institutions at all levels, we should define the legal status of all political entities having the right to nominate their candidates for deputy. There is another reason why we should also define a status of political parties. In fact, we have a multiparty system, but rights and responsibilities of the parties are not legally determined.

The law on elections has not changed the policy and the position of the president. When we adopted this law in its first reading, we agreed on the following: Our political parties are not numerous, they do not at all affect the situation in society, and we have to hold elections based on the majority system. The president does not change his opinion and if—for inexplicable reasons—the Supreme Soviet adopts a bill providing for a different system, I will not sign it. [shouting] Of course, you have the right to adopt this law with a two-thirds majority vote by the deputies. This law will be valid. But, Uladzimir Fedarovich [not further unidentified], I declare that I have been granted specific constitutional rights. Therefore, please, stop shouting. Finally, a variety of draft laws regulating relations between the Supreme Soviet and the president are being submitted for your consideration. They primarily concern the changes in Supreme Soviet regulations. These issues touch upon the president's legislative initiative and his right to veto laws adopted by the Supreme Soviet, to specify the deputies' work in connection with constitutional changes regarding the status of the Supreme Soviet, and to introduce changes to other laws. In connection with the enactment of the Constitution, the status of Supreme Soviet deputies has also been changed. Therefore, we propose that the you bring the law on the deputies' status in line with the Constitution. In connection with revising the categories of state employees and their status, changes to the law on service in state bodies should also be introduced.

Esteemed Supreme Soviet chairman! Esteemed citizens of the Republic of Belarus! I would like to emphasize once again that both the president and the government realize the importance and urgency of the laws that are being submitted for your consideration by the Supreme Soviet Presidium. I am convinced that you will agree with the primary importance of those draft laws about

which I have spoken in my report. I think it worth emphasizing that I am always ready to cooperate with all political forces, movements, parties, factions, and individual deputies. The president is going to hold consultations to discuss the current draft laws with the Supreme Soviet leadership and the leaders of the deputies' factions during breaks between Supreme Soviet plenary sessions. All the issues regarding the organization of these consultations will be resolved by Leonid Heorhiyavich Sinitsyn, chairman of the Presidential Administration, and Supreme Soviet Deputies Dmitry Pyatovich Bulakhaw and Anatol Uladzimiravich Lebedzko, who have become my official representatives in the Supreme Soviet effective today. I would ask them to [Lukashenka changes thought]

I hope that efficient consultations will help the two branches of power avoid conflicts and clashes which could destabilize the situation in the state. I would like to wish fruitful work for the benefit of the Belarusian people, political wisdom, and mutual honesty for all of us. I would also like to make the following remark: Esteemed deputies! The list of extremely urgent measures proposed for your discussion is probably not all-embracing. At every meeting with the president when we discussed this program, I asked the government members, the drafters, and the scientists: Are the proposed short-term measures—I imply that they will have to be implemented in late 1994 and throughout 1995—all-embracing? They stated and confirmed to me that all countries which wanted to overcome similar situations implemented these types of measures. I would like to draw your attention to the fact that the program was signed by specific people, and you can see their names. Therefore, they are responsible for its implementation and each specific paragraph of this program was very important for them. This especially refers to the implementation of these measures. This program should probably not be called a program at all. This is what we discussed with the factions. To my regret, however, the program has already been published. We could have called them urgent measures. But what would that change? In my opinion, it changes nothing. Therefore, I urge you to constructively discuss the subject-matter of these proposed measures. I appeal to you not to submit proposals in your speeches undermining the concept of this program, especially considering the fact that all of you were asked to participate in its drafting. Another thing: As is known, any document, as well as this program, especially at this time, is not a dogma. We can return to this or that clause of this program to correct or even change them at any time. Therefore, we should not fix our attention on the fact that this is the end and we will not be able to change anything. No, in some time, according to the changing circumstances, we could correct certain paragraphs of this program.

Esteemed People's Deputies! I hope that by adopting this program and granting the president with the rights to implement it, you will contribute to its implementation

and will actively help the president and the government implement this program. Thank you.

Prime Minister Details Anticrisis Program

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[Speech by Prime Minister Mikhail Chyhir at the Supreme Soviet session in Minsk—live, in Russian]

[Text] Esteemed President, esteemed Chairman of the Supreme Soviet, esteemed People's Deputies! In his report, the president has made a comprehensive analysis of those principles, approaches, and tasks, which, at his request, have been compiled by the Cabinet of Ministers into the program of urgent measures for leading our economy out of its crisis, submitted for your consideration.

I would like to start my report by depicting the economic basis, that is the starting point from which the program was drafted. I am not going to cite disappointing statistical data on the general state of the economy. I would like to dwell on at least one problem, which should be regarded as the number one problem in the state's economic life. This, undoubtedly, is the state of the balance of trade and payments in the Republic of Belarus. A negative trade balance of \$600 million is looming in the current year. Taking into account foreign (?positive) financing in the form of credits worth \$250 million, we will still have an unpaid foreign debt of some \$350 million. According to Belarusian and foreign experts, we will be unable to achieve any tangible results in this direction in 1995. This will be primarily due to the deterioration of the terms of foreign trade. The price of natural gas, which equalled \$35 for 1,000 cubic meters in 1993, will approach \$70 in 1995. A further increase in oil prices is also predicted. According to calculations, the price will fluctuate within the range \$95-\$100 per tonne. According to the IMF specialists, even provided that the Republic is granted additional credits of \$370 million, the gap between exports and imports in 1995 will be about \$480 million. Frankly speaking, we expect a more favorable result, but it is not optimistic either. What does this mean in terms of real life? First, our foreign debt will reach \$2 billion by the end of 1994. Second, due to a disparity in foreign trade, Russia can refuse to supply Belarus with gas and oil. If we do not take resolute measures to stabilize the balance of payments, the national currency will continue to devalue, and our economic dependence from creditor states will continue to grow, which [words indistinct] is fraught with losing sovereignty. I would like all the deputies to realize the importance of this problem and take a most active part in resolving it.

Proceeding from this, the Cabinet of Ministers has paid grave attention to a program of stimulating exports, while at the same time envisioning harsh measures to encourage frugality in using power and material resources. As I promised on the first day of the session,

I would like to touch upon the problem of the minimum wage. I understand the desire of many deputies to improve the well-being of their electors, the residents of Belarus. As we all know, however, mere desire is not enough. To give something we must have something. To increase the minimum wage we need an economic groundwork, economic development. If these requirements do not exist, it means that the increase is made by means of unbacked money, not supported by products. Instead of improving people's living standards, this leads to a new increase in prices for products and services.

For instance, people's incomes in December 1993 equalled 136 billion rubles [R], in July 1994—R683 billion, in August 1994—R944 billion. This is an amazing increase. Unfortunately, people's living standards were moving in the opposite direction, and luckily, the pace of this movement was not equally as high. Even in August, following the significant increase in retail prices, commodity turnover and paid services witnessed a 32 percent increase and amounted to R694 billion. At the same time, [personal] incomes, without a revision of the minimum wage, grew by 150 percent as compared to July and reached R980 billion. Aside from this, in August people kept some R22 billion. Yes, we can multiply this sum, but without increasing the volume of goods and services to back this money, we will give rise to an immediate revision of retail prices. There is another way, too, namely the state's interference in this process and as a result, transition to rationing. Unfortunately, there is no other option.

Neither should we forget that ill-considered and ill-calculated actions in this sphere would create favorable conditions for accumulation of capital by all kinds of financial mediators and thus, would entail huge expenditures for the printing of money. Incidentally, you can ask [National Bank Chairman] Stanislaw Bahdankevich about the costs of printing money. Perhaps after this, we will be fighting inflation more vigorously. Concluding the discussion of people's incomes, I must stress the need to follow the president's instructions to primarily protect the most socially insecure groups at this stage, and prevent a deterioration of living standards. When handling these issues, primary attention will be paid to pensioners, the handicapped, and the employees of the institutions financed by the national budget. I presume that in the latter case, we will not be able to always avoid staff reductions.

In the sphere of material production, material well-being must be based on vigorous production activities of staffs. Enterprise managers must undertake huge responsibilities. In this regard, it is very important to avoid the eating up of one's own working capital, or producing goods for which there is no demand. I cannot ignore one more thing: Last week, I met a businessman, an expert in industrial production. After visiting a number of our industrial enterprises he stated: Some 65 percent of our employees report for work in your operating enterprises, but do nothing. I attempted to argue about this figure

and prove that my counterpart was wrong, saying that perhaps somewhere, something, somehow [Chyhir pauses] No, I do not quite believe this figure, but we should try and draw certain conclusions from it.

We cannot ignore the issue of people's bank deposits. As of 1 January 1991, people's bank deposits amounted to R16.7 billion. The assertion that the deposits were devaluated solely due to inflation is not quite correct. If we looked into the newspapers of 1990-1991, we would see that only 8 to 9 kopecks of every ruble were backed by commodity reserves. For specialists, this is a very meaningful figure. The sum of deposits was comparable to the sum of retail trade turnover. However, no matter what we say, this is not the point. It is clear to everyone that the people suffered heavy financial losses by keeping their money in savings banks. With regard to this, I can say that in coordination with the president of the Republic of Belarus, funds will be found by the end of 1994 to prevent denomination of the savings deposited as of 1 January 1991. This could have been done by the Savings Bank of Belarus, which has been using this money for transactions. However, the inefficient operation of this bank does not enable the protection of the interests of its customers. Appropriate amendments with this regard will be introduced in the program submitted for your consideration.

Before I proceed with delivering the gist of the program, I would like to point out that at this point the program is an object of criticism, primarily due to the following reasons: The program, just as has been envisioned, is not an all-encompassing project of the Republic's long-term economic development. The primary task of the program is to move the economy away from the edge of the abyss. Not all sectors of the economy received due in-depth analysis and desired reflection. As an example, I could mention the problem of investments and, first of all, housing construction. The Cabinet of Ministers is currently working to resolve these issues. Many people cannot understand the combination of free-market and purely administrative methods of economic management. This is primarily due to the need to preserve the manageability [of the economy] during the violent transition to the realities of a free-market system.

Certain volume indicators can be doubted, for they are hard to precisely determine at this point, given that they depend on specific economic conditions, first and foremost, from interstate relations. It is natural that there are no limits to implementing the program and specific businesslike proposals should undoubtedly be reflected in it, regardless of who suggested them.

Speaking about the chapters of the program, we should point out the following principal issues. In resolving the problem of stabilizing the economy, the key role undoubtedly belongs to a set of measures aimed at healing the financial system, monetary-credit relations, and reforming the system of pricing. Given that these measures are vital and have not been taken earlier for

various reasons, we should implement them in the first place. What should be done?

It is necessary to change the approach toward the centralization of financial resources which are used by the state; to normalize the financial situation in enterprises and payment relations; to implement a rigid credit and monetary policy; and to adopt a new, no-subsidy mechanism for price formation and regulation. All these tenets have been outlined in the draft program. We intend to reduce the level of inflation by the end of 1994 to 10-11 percent, by the middle of 1995—to 7 or 8 percent per month, and by the end of 1995—3 or 4 percent. At the same time, the state budget deficit will be reduced to 4.5 percent of GNP.

At what expense will all this be accomplished? First of all, at the expense of a change in tax policy and the use of state budget funds. The primary measure in the area of tax policy will be the corrections to this policy. It is envisioned that the tax burden will be reduced, tax reduction policies will be regulated by canceling those which have not proven their value in practice, and the creation of a favorable tax regime for export/import operations. The policy of [budget] expenses will be oriented toward the targeted protection of socially vulnerable segments of society; the stage-by-stage abolishment of subsidies; the implementation of priority state programs; the reduction of expenses for the maintenance of the administration, official transport, and the Armed Forces; the gradual transition of certain budget-subsidized institutions to commercial operations.

One of the key positions in the sphere of budget policies will be to maximize reductions in National Bank credits to the state budget. The normalization of the financial situation in enterprises should be furthered by the introduction of bill-of-exchange turnovers, improvements to the system of economic responsibility for breaching payments terms, and the implementation of bankruptcy mechanisms.

It is envisioned that means of trade turnover will be supplemented by a system of trade rebates and markups.

Of course, a sharp deceleration of inflation processes and a strengthening of the Belarusian ruble are only possible after the cleaning up of the credit and monetary system. The [Belarusian] National Bank note should be declared through legislative as the only legal tender on the territory of the Republic of Belarus. This is not, however, enough.

It is necessary for us to stop the unsubstantiated increases in the money supply. To reduce the rate of inflation to the planned parameters, the volume of money in the fourth quarter of 1994 cannot increase by more than 140 percent, and in the first six months of 1995—by 160 to a maximum of 180 percent. I should tell you that these are very rigid parameters, but the importance of strictly adhering to them is beyond doubt.

Cardinal changes should be introduced into the approaches for organizing the production of consumer goods. Unfortunately, this direction of economic activity has recently not been sufficiently stimulated by the state. Here we have the results.

Over the last eight months, the volume of production of consumer goods has decreased by 20 percent. A particularly steep drop has been observed in the production of textiles, bed linen, hosiery, knitwear, rubber and felt footwear, steel enamel ware, washing powder, soap, and other basic products. There are also many cases of the production of vitally important products being completely halted.

Of course, one can find many objective reasons justifying such a situation. If we, however, are serious in our intent to improve the economy, we cannot do so without increasing the production of goods for the people and developing the service sector. The program of urgent anticrisis measures provides for changes in the pricing policy. We should orient our economy toward realistic prices for energy resources, foodstuffs, and housing to abandon exorbitant state subsidies for these areas.

It is vitally important to reduce our imports—or, more precisely, our consumption—of energy resources by no less than 50 percent. There are possibilities to do this. The energy consumption of our GNP is two or three times higher than in West European countries.

As you already know, the government began the regulation of prices as early as this August to bring them, in a step-by-step manner, to market levels. We intend to retain the regime of price regulation only on natural [yestestvennyye] monopolies and, temporarily on bread, milk, and dairy products. We intend to gradually reduce subsidies to municipal services. As for the policy of protecting the population against price hikes, this will primarily be targeted toward poorer families.

The program envisions a package of measures for equalizing the balance of trade and payments, and raising the level of external economic activity. Improvement of the trade balance is possible primarily by increasing exports. This program provides for the abolishment of quotas and licenses in the exports of goods, except for a strictly determined list which takes into account our international obligations, the cancellation of the 15-percent foreign currency rent [renta], the introduction of tax advantages for exporters, the adoption of market measures in the organization of trade on the basis of contests and tenders.

A more clear procedure is being worked out with regard to barter operations intended to economically stimulate purchases of goods necessary for people and the state.

To attract foreign investors, amendments are envisioned in laws of ownership, investment activities, and privatization. Along with this, a more rigid approach will be adopted to foreign credits, the repayment of which is

guaranteed by the government—credited parties will be determined on a competitive basis by selecting projects, which can be financed by foreign currency, and by revising those already under way according to existing lines of credit.

The program also aims at restoring the manageability of the state-run economic sector. For this purpose, improvements will be introduced into the mechanism of real responsibility of state enterprises for their economic success. This by no means implies a return to the centralized system of command economy. Quite the contrary, the program provides for an active advance along the path of market transformations, taking into account recommendations by international financial organizations.

We by no means intend to abandon the reform of ownership relations and privatization. We will only work out a more efficient mechanism for implementing privatization and establishing proper control over it. The program of privatization, which was adopted by the Supreme Soviet, should be implemented. Privatization should be conducted most actively in the area of services and trade.

Many state-run enterprises will be sold at auctions. Measures are delineated for activating the process of nonrepayable privatization with the use of property privatization vouchers and for developing the stock and bond market. We will sign contracts with the managers of state-run and joint stock companies, and introduce government representatives onto their auditing councils.

On the basis of certain large state-owned enterprises, we intend to create financial-industrial groups. This measure will make it possible to conduct a coordinated and more efficient technical marketing policy in strategically important industries of the national economy.

With regard to the development of the private sector, the program envisions measures for accelerating this process, simplifying procedures and creation [as heard], granting tax exemptions and preferential credits, and supporting this sector by the state. The program also envisions the creation of joint ventures with enterprises from Russia and other CIS countries, and measures for state protection and support of the agro-industrial complex, in particular, additional sources of financing due to the introduction of land, real estates, and securities into financial turnovers.

While reforming the system of wages and social protection, it is envisioned to strengthen the role of contracts in regulating wages and organizing labor, and increase the responsibility of managers for their economic results and the fulfillment of collective agreements and arrangements. The program provides for a new procedure for the setting of consumption funds, which takes into account the specificity of industries and economic indicators, and for tougher financial sanctions against over-expenditures of consumption funds.

Esteemed people's deputies! There is but one simple truth: Those desiring to act are looking for means, whereas those not desiring to act are looking for justification. The current government is determined to lead the economy out of the abyss of crisis. It is not our fault that today we need bitter remedies to do this—in certain cases, no other remedies are effective.

It is becoming more and more clear today that there is a need for presidential edicts introducing corrections into the mechanism of economic management in this time of crisis. As prime minister, I can say: A resolution by the Supreme Soviet—I omit the number and date—determined that /the excise tax for imports shall be imposed on goods imported under contracts concluded after 1 January 1994/. [passage within slantlines in Belarusian] I do not know who made a mistake in the process of drafting and adopting this document, but checkups have testified that all contracts concluded in Belarus are being postdated to before 1 January 1994. Naturally, each day brings heavy losses to the state budget. It can be clearly seen in mass supplies following the revision of prices for liquor. Therefore, it is obvious that (?a late cancellation) of certain normative documents may not satisfy the Cabinet of Ministers or financial system. Therefore, we need some efficient means for managing the economy in this difficult interim period. I think that the need for the presence of vertical power structures is beyond any and all doubt. The practice of our economy supports this opinion unambiguously. In general, it is necessary to roll up our sleeves and get down to business—and this is exactly what we are proposing. Thank you for your attention.

Disposition of Political Forces Assessed

MM2909143794 Moscow IZVESTIYA in Russian 29 Sep 94 p 2

[Report by Aleksandr Starikevich: "Lukashenka's Confrontation With Parliament"]

[Text] Minsk—The "president-parliament" issue which is so popular in the former USSR has begun to take effect in Belorussia [Belarus] too. The prelude occurred 27 September when the 16th Session of the country's Supreme Soviet opened.

This session will most likely last until the powers of the people's deputies expire (spring 1995). For many of them this is indeed their last stand. If you also take into consideration the fact that the forces defeated in the presidential elections are in the majority in parliament, Alyaksandr Lukashenka can hardly count on loyalty from the supreme legislative organ. In accordance with the laws of the genre, a crisis can arise at any stage and there is no avoiding it.

You could sense the tension in the Supreme Soviet conference hall on the opening day of the session. Deputies are not yet venturing to attack the president in earnest. Their actions can now be compared to a kind of

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softening-up process—the question was raised of the abdication of their powers by those parliamentarians who work on the president's staff. According to available information, in the near future the Supreme Soviet may start ascertaining the legality of the existence of the staff itself (the Constitution makes no provision for such a structure). The hen is pecking away at the grain....

Surprisingly enough, Alyaksandr Lukashenka is following [former Supreme Soviet Chairman] Stanislav Shushkevich's route—his entourage is partially made up of outsiders who decided to avail themselves of the fruit of victory once it was won. This was inevitable in principle—after all, Lukashenka conducted his entire election campaign with the help of a small handful of comrades in arms. And they have already been vying for influence over the president. Nor has Lukashenka acquired allies among any serious political forces.

The former nomenklatura may have expressed readiness to serve their new master, on condition that it is left untouched. However, Lukashenka made so many promises during the election campaign that an anticorruption fight (or a full-blown imitation thereof) is simply essential, which automatically rules out the parliamentary majority as presidential allies. It is not a question of deputies being universally corrupt—in this case their corporate solidarity, often bolstered by personal relationships, would come into play.

Lukashenka is barred from ties of friendship with the Belorussian People's Front [BPF]—the fundamental differences are already too great. At the moment a behind-the-scenes exchange of pleasantries over the 8 September celebrations is the only form of cooperation between them. At that time the president advised BPF leader Zenon Poznyak to celebrate not the anniversary of the battle of Orsha but his mother-in-law's name day (Poznyak, who celebrated his 50th birthday this year, is still single). The BPF countered this attack by advising the president to spend more time with his own wife; she once told journalists that she had not seen her husband since his election victory.

The centrists may in theory be the president's allies. But since that is what virtually everyone in Belorussia—from the BPF to that selfsame parliamentary majority—considers themselves to be, it remains to be seen whether this political species exists in the country at any serious level at all. Once again Stanislav Shushkevich, who regularly announced his desire to lean on such forces, found nothing but an empty space beneath his hand.

At the moment it is unclear who leads the opposition to the president. Ex-premier Vyacheslav Kebich might be the first contender for this vacancy. A high-ranking member of the president's staff told your IZVESTIYA correspondent that certain Russian circles are nominating Kebich for the chairmanship of the CIS Economic Council and that he regarded such actions as a "slap in the face for the Belorussian people." But at the moment the former head of government has peacefully gotten

down to work in the "Trade and Financial Union" Company and is behaving with outward calm.

With or without Kebich, the former communist nomenklatura will put a spoke in the president's wheel, indeed it has already done so. Thus, Alyaksandr Lukashenka's main battles lie ahead.

Leftists Prepare Referendum To Revive Soviet Union

MK2909124094 Moscow SEGODNYA in Russian 29 Sep 94 p 5

[Report by Valentin Zhdanko under the "Belorussia" rubric: "On With Radiant Past! Leftists Prepare Referendum To Repeal Belovezhskaya Forest Accords"]

[Text] A number of leftist political parties and organizations united in the People's Movement of Belorussia [Belarus] intend to propose a republican referendum to answer questions as to what Belarus citizens would say to repealing the Belovezhskaya Forest accords, giving Russian the status of a state language, abolishing private ownership of means of production, and revising the current state symbols. The questions of the proposed referendum have already been turned over to the Central Electoral Commission, which will soon consider them.

The referendum will become one of the subjects to be discussed at the Second Congress of the Peoples of Belorussia planned by the leftists for 1 October. Curiously, one year ago, when the parties of communist variety were holding the first such congress, today's Belarus President Alyaksandr Lukashenka was sitting on the podium among distinguished guests side by side with Moscow visitors General Sterligov and Deputy Baburin. He also made a speech at that time calling for the revival of the Soviet Union.

But the election campaign started soon after, and Alyaksandr Lukashenka bitterly quarreled with his former allies since they backed the candidacy of Vyacheslav Kebich, who generously financed the People's Movement. Thus, it is unlikely that Alyaksandr Lukashenka will turn up at the coming congress. The same for Vyacheslav Kebich who, having retired from politics, is back into economics. Early this week, he became president of the Trade and Finance Union. The ex-premier, who lost the elections to Alyaksandr Lukashenka, sees his present goal in "assisting Belorussia's industrial enterprises to strengthen their links with enterprises of the other CIS countries, primarily those of Russia." The Trade and Finance Union led by Mr. Kebich brings together 47 state-run enterprises and several commercial banks. The ex-premier likens his new position, in accordance with the unofficial nomenklatura ranking, with that of a sectoral main administration head.

Communist Head Views Split Within Left Bloc

WS2909113094 Minsk NARODNAYA GAZETA in Russian 20 Sep 94 p 2

[Article by Vasil Novikaw, secretary of the Central Committee of the Party of Communists of Belarus,

former cochairman of the Popular Movement of Belarus: "A Split Within the Left Bloc: Why Did Communists Leave?"]

[Text] A scandal! The Party of Communists of Belarus [PKB] either has been "booted out" of the Popular Movement of Belarus [NRB] or has left "slamming the door..." There are comments by politicians, arguments by analysts, and rumors by journalists...

I take the floor hoping vainly that I can clarify the essence of the case. I think that I, a former NRB cochairman, am sufficiently well informed about the NRB "political kitchen."

For starters, let me remind you, on what grounds the NRB exists. It was based on three fundamental ideas. The first idea was to join efforts for overcoming the crisis, but neither at the expense of the working people's pauperization, nor at the expense of scandalous disputes with opponents, nor at the expense of the exacerbation of the political situation. The second idea was to struggle for the restoration of the USSR under new conditions acceptable to fraternal nations, on the basis of soviets, that is, people's democracy. The third idea was to oppose nationalism in any of its forms and "doses."

Proceeding from these noble motives, the PKB joined the NRB and took an active part in the creation (such was the plan at the time) of a broad leftist patriotic movement. As one of the secretaries of the PKB Central Committee, I will note without false modesty that it would be hardly possible to attempt to create a bloc to counterbalance rightist forces without the communists and their local party structures.

Initially, the principles of a voluntary unification were discussed: The equality of all members and the adoption of a resolution of the NRB Coordinating Committee by general consent. Every entity constituting the bloc is fully independent, and no one is entitled to dictate to other organizations and parties, what internal rules, program goals, or tactical tasks they should adopt.

In the beginning, work was carried out in unison. This surely accounted for its progress. The NRB has found its place in the political arena and gained in importance. A good impression was left by the First Congress of the People of Belarus, which was held a year ago. This Congress, in fact, has called the leftist bloc "to the stage."

However, as it happens quite often and not only in the left wing, the "play" also introduced "external political" forces—ambitions, passions, the struggle for influence and importance. When such things assert themselves, there is no time for noble goals. Deplorable as it is, this is exactly what happened. I categorize this misfortune as a severe case of falling ill through peanut politics, when the main objective is being abandoned for a mouse hunt.

Alarming symptoms appeared early this year. To explain "who intrigued against whom," it is necessary to inform the readers what other parties constituted the bloc

together with my own. These include veterans, the Komsomol, the Movement for Democracy, Social Progress and Justice, the Officers' Union as well as a number of "dwarfish" organizations—battle and marine painters, the Fund for Social Protection of Servicemen, the Slav Assembly. (As of today, the NRB includes over 20 motley organizations and parties.)

The future conflict was sparked by a refusal to follow the principles of mutual esteem, equality, and partnership by passing opinions of the PKB, the Komsomol, and some other organizations. The Ministry of Justice has registered the so-called second version of the NRB statute which does not correspond to the elaborated and approved draft. This statute entrusts the NRB Coordinating Committee with the powers of a directive body. Symptomatically, this new statute version envisions the possibility of creating NRB local structures under a rigid vertical subordination.

The most astonishing metamorphosis, however, has taken place with NRB Coordinating Committee Chairman Syarhey Haydukevich. Initially, this post was considered as nothing more than a post for the preparation of sessions and record keeping. In other words, it was meant as a purely organizational and technical safeguard of the NRB staff's work. The new version of the statute transformed this modest official into a "leader" who began to call himself the chairman of the NRB. In this way, a phony political figure appeared, and it has become clear who is sickly craving to be a leader and whose ambitions are overflowing.

This new-baked "leader" began to astonish the Republic with his original somersaults. Mass media has been flooded with his numerous statements on everything and nothing, which basically contradicted both the NRB program goals and one another. Public opinion was astonished along with "uninitiated" members of the Coordinating Committee. For instance, I, being an NRB cochairman, and my other colleagues were informed by the press about "our" alleged statements. These statements had in no way been discussed or approved at sessions of the NRB Coordinating Committee.

To put it frankly, the chairman of the Coordinating Committee, a former commander of a rocket battery, began to command everybody and everything in a military way. The "leader" was more than once given tactful and friendly remarks. He assured repeatedly that he would take them into account, but....

Examples are not hard to find. In his NOVAYA NARODNAYA HAZETA, on 15 September 1994, he "communicated" to the public, also on behalf of the PKB Central Committee Secretaries Viktor Chykin and Uladzimir Syamyonaw, that the crisis in the left bloc had been overcome. "That what has recently been called a split is simply the cost of rise and development."

I would have been only too happy to end my story about the split with this statement and to throw all the above-stated issues in the garbage with great relief, but I am

obliged to continue since Haydukevich has again—which time this time?—distorted the facts, to put it mildly.

Passionate critics from the right wing are currently posing the question: Where does NRB's money come from? I, as a former cochairman, know only one thing: Financial means were administered by Syarhey Haydukevich alone. I do not find any convincing arguments against those asserting that the "leader" has haughty manners, holds categorical opinions, and lacks culture. I am forced to say that his personal qualities as well as his style of work create an evidently unhealthy atmosphere in the NRB Coordinating Committee.

The readers may ask me: If that is so, then why do the other leaders in the bloc put up with such a situation? They have not put up with it though, and this relates primarily to representatives of the PKB, the Komsomol, and the Movement for Democracy, Social Progress and Justice [MDSPJ]. For this reason, the split has fractured the NRB.

Attempts by the "leaders" to bend the mass party—a collective body—to their will is an old trick. The methods for achieving such a goal have been elaborated on for ages. From a philosophical point of view, knowledge of life can hardly be expanded by studying the transformation of a movement arising from a noble idea and evolving into a caste bureaucratic formation.

A simple example. Those cochairmen who support the chairman are being paid a salary. In addition, the top leadership has encircled itself with a rather bulky paid apparatus of formerly fired bureaucrats. They, following the landlord's example, exceed their commissions, too. Democracy within the NRB has been a failure.

Has anything been left of this democracy when the chairman of the Vitebsk Oblast NRB Coordinating Committee rules his organization in spite of a no-confidence vote by the majority of its members? As for the "leader" of the Minsk Oblast NRB Coordinating Committee, he has not been elected by any forum and is a direct appointee.

The worst thing is the awareness that political wire-pullers are exploiting sincere beliefs of those sharing leftist opinions, who want to unite and help people get back what has been taken away from them. Unfortunately, healthy forces of the NRB and their supporters are also being labelled with the scandalous reputation of the "leaders."

It is especially painful to speak about Natalya Pyatrowna Masherava [NOVAYA NARODNAYA HAZETA editor in chief], but one cannot fail to mention her case. No matter how hard I tried, I could not comprehend what motivation had made her publish and disseminate election leaflets with an appeal to vote against the PKB presidential candidate. After all, the PKB is a successor of the Communist Party of the Belarusian SSR, which

was loyally headed for 15 years by Pyotr Mironavich Masheraw [Ms. Masherava's father].

I do not know if Masheraw's daughter was conscience-stricken during the NRB Coordinating Committee session which voted for the expulsion of the PKB and the Komsomol. This was the session, to which representatives of the "expulsed" had not been invited. I do not understand how she was able to publish unwaveringly that issue of NOVAYA NARODNAYA HAZETA, which, in essence, flung dirt at PKB and the Komsomol leaders.

A "talent" of the grand masters of petty political intrigues has presented itself with a special distinctness during the presidential campaign. People were amazed how it was possible to do so many things in a few days: a) to announce Vyachaslaw Kebich as "sole candidate of the NRB"; b) to reject completely Alyaksandr Lukashenka as a candidate who did not meet NRB goals and tasks; c) to call Lukashenka's victory NRB's unquestionable achievement.

NRB's ways to worm itself into the new authority's confidence are evident to everybody, therefore there is no need to expand on this.

So, we—the communists—were "booted out" of the NRB. Now, it seems that we are being called back. We have read in newspapers that the resolution regarding our exclusion was allegedly canceled by the NRB Coordinating Committee. I do not know if this is true; at any rate, the PKB Central Committee has not received any official notification.

Yes, the PKB Central Committee has adopted a resolution on leaving the NRB. We did not "slam the door." This was not an easy decision, and it was adopted following numerous attempts on the part of the PKB Central Committee and its [Political] Bureau to improve the situation. For this purpose, we proposed to retire the current bizarre chairman of the NRB Coordinating Committee, because he simply compromised the NRB with his "tricks." It is necessary to revive the democratic statute of the NRB. We were pressing for this and, as a result, we were "put under obstruction."

Not only the communists have been "rejected." Our side has also been taken by veterans, the MDSPJ, young people from the Komsomol, and members of the Officers' Union. In other words, these are the basic forces of the left bloc, which are seriously concerned about all those events treated by our opponents in the right wing as scandalous, funny, or amusing.

I know that the next legislative elections are not far away. It is an incomparable advantage to launch an election campaign by a strong left bloc. In principle, the NRB was determined to become such a bloc, but this has not happened. The voluntary union has transformed itself into a rigid structure with evident features of a political party, including even the principle of "strict centralism."

The NRB Coordinating Committee strives to become a body resembling the Political Bureau in the CPSU.

It is obvious to me today that Haydukevich is supported by other forces, whose initial aim was to create a new political party for themselves on the shoulders of the PKB and the veterans' organization, which are practically the only organizations with overall local structures. I am sure that we are still faced with a prospect of meeting real organizers of this big political show called the "bloc of left and patriotic forces."

It is time to say openly to the people that the NRB (following the withdrawal of the PKB and the Komsomol and the suspension of membership by the MDSPJ) is no bloc of left, or left center, forces. It is a bizarre political monster, a conglomerate of petty-bourgeois parties (the Liberal Democratic Party and the Slav Assembly) with a makeweight of Spartak club sportsmen and diverse funds, associations and assemblies having nothing in common with politics. If Syarhey Haydukevich begins to "broadcast" on behalf of the bloc again (and he will surely do so, and more than once), do not take his words at face value. From now on, the true communists cannot have anything in common with this political intriguer.

My personal opinion is that the return of the PKB to the NRB is out the question until the situation is clarified as to who is on the left, who is on the right, and who is out of place there.

Public opinion rightfully sneers at the "upcoming" Second Congress of the People of Belarus. This Congress was already announced four times, now it is the fifth time. The "final" term is scheduled for October, but this term is at least strange—as of today, the legislative election date has not been determined, there is no new election law, and the presidential anticrisis program has not been publicized.

The Congress is not authorized to either change the statute or elect the leadership, because it is only a consultative assembly. I receive telephone calls, letters, and verbal notices from many supporters and companions-in-arms that they are going to participate in the Congress in order to save the left bloc, dismiss Haydukevich, and change the statute. However, all these actions are in the exclusive competence of the NRB Coordinating Committee.

There is a "zero option" notion used in great politics. To put it simply, it denotes the situation when everything else failed and it is necessary to start everything anew, from the zero point. It seems to me that such is the situation with the idea of a true bloc of left and patriotic forces. It is necessary to cool down a little, think it over,

determine what is what, and, apparently, to start anew without delay. I see no other way.

Moldova

Sides Discuss Reduction of Peacekeeping Forces

AU2909145994 Chisinau BASAPRESS in English 2047 GMT 28 Sep 94

[Text] Tighina (Bender), BASAPRESS, 28/9/1994—The consultation on reducing peacekeeping forces have finished in Tighina. This initiative was proposed by Russia. Reliable sources told BASAPRESS that Chisinau representatives agreed on this proposal but they insisted on creating a joint Russian-Moldovan commission to control the implementation of the Yeltsin-Snegur Convention from July 21, 1992. Chisinau representatives also insist on evacuating from the security zone all Dniester military groups which are not under the jurisdiction of the Joint Control Commission. Only when this is done the Moldovan side will begin negotiating. The same sources relayed that the Russian side favors the presence of the Dniester military groups. In its opinion, they are legally financed by the Tiraspol authorities and are not capable of attacking. Tiraspol representatives declared that they oppose the reduction of peacekeeping forces. However, they say that this would be possible if Moldova evacuated its military equipment from the security zone and the Moldovan peacekeepers were withdrawn from Varnita, a Tighina suburb. The consultations will be resumed in about a month.

No Official Documents Adopted at Dniester Talks

AU2909205494 Chisinau BASAPRESS in English 2047 GMT 28 Sep 94

[Text] Chisinau BASAPRESS, 28/9/1994—Negotiations on special status for Eastern Moldovan districts began in Sucleia, Slobozia district. Nicolae Osmochescu, vice minister of interior, heads the Moldovan experts commission and Valeriy Litskay, Dniester foreign minister, heads the Dniester one. At the end of the talks, Nicolae Osmochescu, Moldovan vice minister of interior, told BASA at the conclusion of the talks: "We had a normal meeting. We exchanged proposals and opinions on special juridical status for Dniester." Valeriy Litskay, Dniester delegation head, said: "We made a big step forward. We proposed to Chisinau our project. No official documents were adopted today." Vladlen Vasev, Russian representative in the negotiations, told BASA that the settlement of a small but important problem, that of special juridical status for Dniester, began in the negotiations. The next meeting will be held in Chisinau on October 14.

Russia To Hold 51% of Gas Company Shares

AU2909122694 Chisinau BASAPRESS in English 2125
GMT 27 Sep 94

[Text] Chisinau, BASAPRESS, 27/9/1994—Fifty-one percent of shares of the Moldovan-Russian Association, founded by "Uralgazprom" and "Moldova-Gaz," will be held by the Russian party, BASAPRESS learned from Boris Carandiuc, "Moldova-Gaz" company director. He specified that the documents on founding this association were signed on 20 September this year. Forty-nine percent of the shares will be held by two gas companies from Tiraspol and Drochia. According to Carandiuc, once the association was created, Moldova will have the possibility to purchase gas from Russia at lower prices. Previously, sources from the Department for Energy and Gas Supply said that the creation of this association would decrease prices by 10-20 percent. Currently, Moldova imports natural gas at a price of \$78 for 1,000 cubic meters. Prices for Russian gas will decrease due to their crossing of Moldova. Previously, for every 1,000 cubic meters flowing through 100 km of gas pipelines Russia paid \$1.5. In 1993, Russia exported 18 million cubic meters of gas to the West through the pipelines crossing Moldova.

Exchange Rate With Romanian Lei To Be Discussed

AU2909165194 Chisinau BASAPRESS in English 2125
GMT 27 Sep 94

[Text] Chisinau BASAPRESS, 27/9/1994—The Romanian National Bank board of directors will discuss the establishment of the exchange rate between the Romanian and Moldovan lei, told BASA Valeriu Muravschi, chairman of the Moldovan Banks' Association. He said that this is stipulated by the memorandum signed last week by the Moldovan and Romanian national banks. Nine months ago, after the introduction of the national currency into circulation, the Moldovan National Bank decided to set the exchange rates between the Romanian and Moldovan lei. Currently the exchange rate stands at 2.46 Moldovan lei for 1,000 Romanian lei. Valeriu Muravschi mentioned that the Romanian National Bank will adopt a decision which would allow Moldovan economic units to convert their profits at the interbank currency exchange from their exports in Romania. The commercial exchange between the two countries is carried out in hard currency. The objective of this memorandum is to facilitate commercial exchange between Moldova and Romania, said Muravschi. He pointed out that this year the commercial exchanges between the two countries dropped by 50 percent in comparison with 1993.

Kazakhstan**Foreign Minister Gets 'Personal Message' from Iran***LD2909170194 Almaty Kazakh Radio Network in Kazakh 1400 GMT 29 Sep 94*

[Text] Kazakhstan's Foreign Minister Kanat Saudabayev met today with Iranian Ambassador to Kazakhstan Rasul Eslami, who handed over a personal message from [Iranian Foreign Minister] Velayati. During the meeting the two discussed trade and economic relations between the two countries. The sides noted agreements achieved earlier by the two countries are now being implemented. For example, Mangistay Oblast of Kazakhstan and Gelan province of Iran are now establishing direct contacts. Regular sea connection is being established between the ports of the two countries—Aktay and Enzeli.

From October this year we will have a regular air connection between Almaty and Meshked. A visit by Kazakhstan's minister of trade and industry to Iran in the near future will contribute to the implementation of agreements.

Lebanese Envoy on Kazakh Oil Industry Investment*LD2909165094 Almaty PANORAMA in Russian 17 Sep 94 p 7*

[Text] Negotiations between former Economy Minister Mars Urkumbayev and Lebanon's Ambassador to Kazakhstan, Asef Muhammad Dib Nasir took place recently at the Republic's Ministry of Economy, at the latter's request.

The ambassador gave a brief description of the situation in his country and expressed particular interest in how Kazakh-Lebanese economic relations might develop and strengthen. During the discussion, particular interest was shown in investment in Kazakhstan's oil, oil refining, and metals industries, and in setting up joint banks.

Mars Urkumbayev detailed the conditions for foreign investors and spoke about the privileges enjoyed by joint ventures in Kazakhstan.

In addition, the minister drew the ambassador's attention to the profitability of investing in agriculture (for instance, Lebanon, like some other Arab states, has to import several thousand head of sheep every year), and the need for direct contacts between our businessmen. A proposal for an exchange of business delegations was approved by both sides.

Musiraly Utebayev, first deputy chairman of the National Foreign Investment Agency, participated in the negotiations.

Official News Conference Prior to Oil, Gas Exhibition*LD2909172794 Almaty Kazakh Radio Network in Russian 1400 GMT 29 Sep 94*

[Excerpt] The second international exhibition Oil and Gas-94 will open in Almaty on 5 October. A news conference was held today at the Atakent business center. It was given by Lobayev, deputy minister of the oil and gas industry, Atakent President Abdulayev, Aleks Bernsteyn, director of the International Trade and Exhibition Company, and Mark Shashya, director of the oil and gas exhibition. They spoke about the importance of oil exports from Kazakhstan and long-term contracts. They also spoke about a regulation for obtaining the right to transfer oil via Russian territory by the year 1996. This will allow the transportation of oil to other countries. Kazakhstan is expected to receive 36 million tons of hydrocarbon material. A conference will be held before the exhibition opens. Under discussion will be the construction of two pipelines. [passage omitted]

Oil Firm Starts Social Program for Western Region*LD3009091694 Almaty Kazakh Radio Network in Kazakh 1000 GMT 29 Sep 94*

[Text] The state-run Kazakhstankaspiyshelf company has started implementation of its social development program in the Mangystau Region. Under this program the necessary water filtration equipment has been delivered and the system for revitalizing the soil has begun working. The equipment needed to make water from the parched lands drinkable has been bought and is being installed.

There is now an opportunity to reopen the Aktau airline. However, the terms of the agreement signed by the company and by this Mangystau airline are not always kept by the latter. That is why it is still difficult for the company to increase the production of consumer goods for the population, to renew enterprises' equipment, and to create new jobs.

Serious Alarm in Republic Over 1994 Harvest*MM2909150994 Moscow TRUD in Russian 28 Sep 94 p 5*

[Report by Oleg Kvyatkovskiy: "Storm Clouds Over the Virgin Lands: Kazakhstan's Granaries Only One-Third Full as September Draws to a Close"]

[Text] A very tense situation has actually developed in the republic's grainfields. This has already been frankly confirmed by the Petropavlovsk Administration, which has declared a state of emergency in the oblast's agrarian sector, where only 15 percent of the grain crop has been threshed. Akmolinsk Oblast has threshed only a third of the amount of grain threshed last year. In the area of Kazakhstan's best wheat—Turgay Oblast—the average yield is now only 4.5 quintals. In the fields of the

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republic's main granary—Kustanay Oblast—farmers have managed to harvest only one-third of the crop, and that not from the highest-yielding tracts of land.

As a result, according to the State Committee for Statistics, only around 400,000 tons of grain from the new crop has been purchased by the republic's procurement organizations. Only 8 percent of the amount of grain for state needs as specified by Kazakhstan Cabinet decree has been delivered. The amount of grain harvested is half what it was last year, while the average yield is 40 percent down on last year, registering only 8.3 quintals per hectare.

The weather has played a dirty trick at the end of the harvesting period: Heavy rain has covered the whole of North Kazakhstan. When the combines do get out into the fields during the rare hours of fine weather the hoppers end up with a yellow-green porridge rather than grain. This mixture has to be dried out and then dried out again, and that means using up fuel which is already in catastrophically short supply here. Many farms have solar and other oils and gasoline sufficient for just one or two days of work, while centralized deliveries as a whole cover no more than 40 to 50 percent of fuel and lubricant requirements this year.

In short, even the modest figure announced in the summer of 18 million tons of grain for 1994 (this is 6 million tons down on the average figure for Kazakhstan over the last eight years) will scarcely be reached now. But the total grain purchases for state needs—5 million tons—will most likely be achieved, although even on this score anxiety is already felt at the highest level. [President] Nursultan Nazarbayev, for example, recently issued a personal instruction that the targets for delivery of commodity grain be broken down into five-day segments and that strict supervision be exercised. The president reminded people in so doing that he had dismissed the heads of administration in two oblasts for shortcomings in the procurement of last year's grain crop. The hint was not lost on anyone.

More than half the state order will be paid for by the state supplying farms with fuels and lubricants, equipment, and other resources. But the question—what will the grain growers have to live on and feed themselves with?—still remains unanswered. And not just because there is less grain than planned and directors “will pay with their heads” for the unfulfilled state order far earlier than the oblast chiefs. After all, even if they have managed to keep something “for themselves,” the virgin land farmers often do not know whom they will sell the grain to this year, or how.

Grain is the basic “hard currency” and essentially the only hope for the peasants today. Bills for coal, metal, and timber have to be settled with grain. Wages also have to be paid with grain, however, because many rayons haven't received “real” money for four to five months. All the peasants' city partners expect grain in settlement of debts. But how can peasants dispose profitably of the

residue? It is simplest of all to sell the grain outside the republic, where Kazakhstan's wheat is in stable demand. But to sell a ton of third-grade wheat at a price of 2,900 tenges (approximately \$58) a sovkhos today needs to pay 11 percent of that sum in the form of state duty for license authorization and pay another 800 tenges for shipment to the grain elevator, plus the rail transport charge.... That is to say, you might as well feed it to the livestock.

Particularly as there are fewer and fewer animals. Instead of the usual 25-27 million head of sheep, there are officially 17 million in Kazakhstan now; while according to unofficial figures there are only 11 million. Karaganda Oblast alone has lost 39,000 steers and cows over the year. The abundance of meat in the markets at this time is gratifying only to those who know no better. Will even a few of them remain by the spring? Particularly as the winter promises to be a very harsh one....

And the grain market is taking shape in Kazakhstan under extreme conditions. President Nazarbayev intends to abandon the state order altogether as of next year and shift the problem of providing the population with grain to the regions. The state will merely create grain reserves in case of unforeseen circumstances. The leaders of the state joint-stock company “Astyk,” set up on the basis of the procurements ministry, intend to introduce the “American system” of grain trading to Kazakhstan, that is to say, trading via an exchange where surplus grain is to be presented under a mandatory procedure. Here it is intended to establish a minimum possible price per tonne of grain in the domestic market. But it is clear right now that this scenario “will not please” the heads of oblast administrations....

Back in the spring local newspapers praised the grain growers' “heroic labor” and “exploits.” Today not only are such descriptive terms lacking but there is in general no information about grain matters. Press harvest reports are scant and unobtrusive.

And that is just one more sign of the growing alarm in the fields of Kazakhstan. Alarm over the 1994 harvest....

New Russian Super Airliner Shown in Almaty

LD2909163994 Moscow ITAR-TASS in English 1435 GMT 29 Sep 94

[By KAZTAG correspondent Sara Mustafina for TASS]

[Text] Alma-Ata [Almaty] September 29 TASS—Russia has offered a new superliner to Kazakhstan, which was designed by the Tupolev Aircraft Design Bureau and the Ulyanovsk-based “Aviastar” joint stock society.

On Wednesday, the new super liner landed at the Alma-Ata airport. Kazakh experts and journalists were invited to familiarize themselves with the plane and make a short flight above the city.

Chief designer of the Tupolev Bureau, Yuriy Vorobyov, and Deputy Director of the Aviastar Enterprise Anatoliy Gulyayev, said that the new superliner has excellent aerodynamic characteristics is equipped with low-noise and fuel-saving engines and can accommodate 214 passengers at a time. By its technical characteristics, including its service life, the maximum speed and altitude, the new plane matches the Boeing-757 aircraft, but costs much less.

During a news conference held on board the plane it was announced that the new aircraft will be displayed at the "Almaty Aerospace-94 show". After a show in Alma-Ata a crew of Moscow pilots will demonstrate the new plane in the cities of Akmola and Karaganda.

Kyrgyzstan

Akayev Approves Government Decentralization

LD2909222994 Bishkek Kyrgyz Radio First Program Network in Russian 1200 GMT 29 Sep 94

[Text] Only by decentralizing executive power and dividing it into state government and local government can the republic be put back on its feet and the economy helped out of its protracted crisis. In this context, Kyrgyz President Askar Akayev has issued an edict approving regulations on the principles for organizing local government in the Kyrgyz Republic.

The regulations were drafted by a special commission consisting of 60 members, led by Prime Minister Abbas Dzumaghulov and two deputy heads—State Secretary Dzhanys Rustembekov, who is head of the presidential administration, and one of the oldest workers in the machinery of state, Koshoyev, the former chairman of the republic's Supreme Council and now chairman of the board of the Republican Society for the Protection of Nature.

Government Session Held 29 Sep

LD2909210694 Bishkek Kyrgyz Radio First Program Network in Russian 1200 GMT 29 Sep 94

[Text] The Government of the Kyrgyz Republic held a meeting in Bishkek today. The following items were placed on the agenda:

1. Preparing the national economy for the autumn and winter periods of 1994-1995.
2. Progress in implementing the edicts issued by the president of the Kyrgyz Republic on measures to intensify the land and agrarian reforms.
3. The state of affairs in industry and measures to structurally improve it.

Prime Minister Abbas Dzhumagulov chaired the session.

Deputy Prime Minister Almambek Matubraimov spoke on the first agenda item. He said that because funds have

not been allocated to the local budgets a large proportion of the republic currently finds itself without coal supplies even though there is in fact coal he'd at the fuel dumps.

The speaker paid particular attention to the use of electricity for heating purposes under the current circumstances. There are about 40 electric boiler stations in operation in the republic, and 22,000 houses have already been switched to electric heating.

Matubraimov went on to touch on the issue of importing heavy oils and other fuels as soon as possible.

Relevant resolutions were adopted on all three agenda items.

Akayev Meets Representatives of Womens Movements

LD2909213294 Moscow INTERFAX in English 1733 GMT 29 Sep 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy; edited by Vladimir Shishlin]

[Text] According to President Askar Akayev, as many as 30 percent of places in the republic's new parliament should belong to women. He declared about this at the meeting with representatives of 11 women's public and political movements of Kyrgyzstan and stressed the need to increase the number of women in all power structures.

Akayev promised to render comprehensive state support to women's organizations. He is convinced that strengthening of their material basis can help to overcome traditional indifference of the Kyrgyz women to politics, to use the potential of the women's movement principally in such spheres as the struggle against alcoholism and drugs addiction and preserving of cultural values.

Akayev attracted attention to the data of sociologists which testify to women's favorable influence on businesslike activity in the process of reforms underway in this country.

Local observers express their doubt that under the present level of political apathy of the Kyrgyz women representatives of the weak sex can hope to receive one third of places in the future professional parliament of the republic.

Crimes Against Foreigners Seen on Increase

LD2109104594 Bishkek KYRGYZSTAN CHRONICLE in English 13 Sep 94 p 8

[Text] Recently special detachments to fight crimes against foreigners were created in the Home Affairs department.

I remember that when two years ago the first foreigner was robbed in Bishkek, nearly every newspaper announced this shocking news. However, with the expansion of political, diplomatic, economic and trade

relations of Kyrgyzstan with countries of the far abroad, the number of guests in the republic is continuously growing, and the number of crimes against them is growing as well. In only the first half of this year the number of such crimes was 64, mainly in Bishkek. Half of them are still unsolved.

Here is an incomplete chronicle of the last three months.

June:

- The Chinese ambassador's house was robbed. The thieves broke the balcony door and took away items worth 9,525 soms.

- The Japanese UN representative's flat was robbed. The thieves broke the door.

- In broad daylight a Turkish citizen was robbed in the center of town. An unidentified fellow threatened him and relieved him of 1,000 dollars.

- A citizen of the USA was robbed in his hotel. Someone stole a wallet containing 2,000 dollars from his rooms.

July:

- Two unidentified assailants grabbed the purse of Chinese citizen Li Ching, which contained 1,000 soms.

- Two unidentified citizens burst into the apartment of a Yemeni citizen, beat him and escaped with 300 soms and 150 dollars.

August:

- Chinese citizens were brought to the emergency ward with physical injuries. Two unidentified malfeasants beat them up at their apartment and took away 350 dollars.

- 18,722 dollars was stolen from the office safe of the Crown Agency. The thief penetrated through an open casement window at night.

- In the Bishkek shop Voyentorg, a thief cut the bag of a Japanese TV company consultant working in Kyrgyzstan on contract and stole 150 soms and 270 dollars.

The most frequently robbed foreigners are Chinese citizens. Presumably this is because they are the most numerous and frequent guests from the far abroad. A second reason is that among them are a very large number of merchants, people who have money. And third, they are easier to recognize due to their appearance.

The reasons behind the increasing number of such crimes are guessed to be as follows:

First: The robber is absolutely sure that gain will be rather high and usually in hard currency or good and valuable things. With an average Kyrgyzstan's salary being equal to 30-35 dollars, even plunder worth 100 dollars is equal to three months of working.

Second: It is easier to commit a crime against a foreigner, because on the one hand, they are more careless and trustful, and on the other, it is easier to intimidate them: a person in a foreign country is less confident than at home.

Third: Their ignorance of the language, laws and customs of the country and their poor memorization of faces (until they become accustomed to us we all look the same to them) complicates police work. While these issues are being sorted through the trail cools and the thief is given time to escape and plan. It is not coincidental that the solvability rate pertaining to such crimes is so low.

Unfortunately, there are already examples of crimes committed by foreigners against foreigners on the territory of Kyrgyzstan. For instance, on the night of 10th July Chinese citizens visited a Hong Kong citizen's apartment, beat him up, and took away with them 1,200 soms, 500 dollars and a Japanese video camera worth 4,000 dollars. I would like to believe that with the creation of the new structures in the capital and regional militia departments, it will be easier and safer for foreigners to live in Bishkek, that they will stop suffering theft, robbery and beatings. I have a hard time believing it, however. Experience shows that with the appearance of structures sworn to protect and to improve, the situation for some reason always gets worse.

Turkmenistan

Diplomatic Relations Established With Algeria

LD2909182594 Ashgabat Radio Ashgabat Network in Russian 0300 GMT 29 Sep 94

[Text] With the aim of developing their mutual relations and cooperation, Turkmenistan and the People's Democratic Republic of Algeria have decided to establish diplomatic relations at the ambassadorial level as from 21 September 1994. It was said in the adopted documents that relations between the two states will be based on mutual respect and principles of noninterference in each other's internal affairs and regulations of the UN Charter. In his statement, his excellency Hamid Bourki, the extraordinary and plenipotentiary ambassador of Algeria to Moscow, on behalf of the President of Algeria wished Saparmurad Atayevich Niyazov, president of Turkmenistan, health and success in the difficult tasks ahead of him. As from now, 21 September will enter the diplomatic history of the two countries as the day of the establishment of diplomatic relations between them.

Deputy Premier on Trade, Consular Ties With Iran

LD2909205594 Tehran IRNA in English 2040 GMT 29 Sep 94

[Text] Moscow, 29 Sep (IRNA)—Iran's deputy foreign minister for legal, consular and parliamentary affairs,

Manuchehr Mottaki and the deputy prime minister of Turkmenistan, Batra Sarajayev, reviewed Iran-Turkmenistan trade relations in Ashgabat today.

The Iranian Foreign Ministry official emphasized the need for smoothing out the way for consular relations between the Islamic Republic of Iran and Turkmenistan.

Mottaki also said Turkmen businessmen had debts to their Iranian business partners which had to be paid with the involvement and effort of the Turkmen Government.

The Turkmen official said he would personally see to the issues of broader trade relations between the two countries in the near future.

Uzbekistan

Karimov Meets With CSCE Secretary General

LD2909105694 Moscow ITAR-TASS in English 1045 GMT 29 Sep 94

[By ITAR-TASS correspondent Vilor Niyazmatov]

[Text] Tashkent September 29 TASS—President Islam Karimov of Uzbekistan met with Secretary General of the Conference for Security and Cooperation in Europe (CSCE) Wilhelm Hoeynck who is staying in Tashkent.

"Despite the fact that Uzbekistan is situated in Asia, we have serious reasons to be a CSCE member," Islam Karimov said during the meeting. "The CSCE does much work to establish peace on the planet and to protect human rights. All this coincide with aspirations and the will of the Uzbek people."

On the same day the head of the Uzbek state received Samuel Brown, head of the U.S. delegation at the CSCE. "Although we are situated on different continents, our common cooperation with the CSCE will undoubtedly serve the further development of relations between our two states," Islam Karimov said at a meeting with the American guest.

Government Dissatisfied With Russian Report

LD2909202894 Moscow INTERFAX in English 1724 GMT 29 Sep 94

[Text] The Uzbek National Information Agency has described an open report by the Russian Foreign Intelligence Service (FIS) published by the mass media on September 21 as an attempt to "thrust its imperial will upon the young states" of Central Asia and "keep these states in its strong arm."

The agency disagreed with the FIS prognosis that social and political tensions could emerge in Central Asian states due to their increasing economic difficulties. As a result, ethnic conflicts will be fanned and ethnic minorities will experience hard times, a new stage of the defiance of human rights will begin, the FIS said.

The agency pointed out that "the ideas to restore the empire will never be realized, while those who seek to conduct another experiment on the territory of the former Soviet Union are pursuing a policy which is equal to the restoration of slavery."

Deputy Finance Minister Interviewed

LD2309183394 Tashkent BUSINESS REVIEW No 7 in English Sep 94

[Interview with A.M. Abdukhadyrov, deputy finance minister, by unidentified correspondent: "Is Stabilization Possible?"]

[Text] The Rubicon has been crossed. The Resolution of the Council of Ministers on measures for ensuring internal convertibility of the national currency in the Republic of Uzbekistan has signalled the country's transition to a period of financial stabilization. The resolution is a logical continuation of a number of decisions taken by the government recently for the recovery of the financial system. It is the top priority for the country's economy.

Deputy Minister of Finance of the Republic of Uzbekistan A.M. Abdukhadyrov gave an interview to a 'Business Review' correspondent:

[Question] What does the government intend to do to bring about financial stabilization?

[Abdukhadyrov] In theory, no stabilization is possible without the successful financial and economic activity of enterprises. The stability of the entire financial system depends on their stable work. In their turn, banks are to ensure timely settlement operations between enterprises, and the fiscal bodies such as the Ministry of Finance and the Tax Committee are to regulate relationships between economic entities. These are the three main directions in which we are moving. The Central Bank also influences financial stabilization, as it is the main issuer and creditor.

[Question] What are the priorities of the government's monetary policies?

[Abdukhadyrov] The first is to reduce the amount of cash and credits. Previously we widely practised the extension of preferential credits to enterprises at a rate much lower than the inflation rate. Preferential credits will gradually be abandoned. They will be extended under much tighter terms, and that includes credits to commercial banks.

Second, the dollar is presently the main commodity on the market, so we have to take measures to reduce the inflationary component of its rate because prices on all goods, especially imported ones, largely depend on it. To this end, we are planning to introduce a system of open auctions in the near future. On 1st August, we began a free exchange of currency with a certain ceiling of exchange. The som rate will be fixed as a result of tenders

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at the National Currency Exchange and backed by the Government. By mid-autumn we intend to equalize the official rate with the black market rate. Active measures are being taken to fill the domestic market with consumer goods and create food reserves in the aim of maintaining the supply and demand balance. Third, we are going to use actively our gold and currency reserves in the international currency market to promote the som's stabilization and guarantee foreign investments. Fourth, investments should be attracted to production sectors and infrastructure. To this end preferential taxation is being created for joint ventures, interstate agreements on excluding double taxation are being signed, and legal protection to foreign investments is guaranteed. Fifth, we will be actively attracting the population's means to bank accounts by gradually raising interest rates.

[Question] Are you planning a reform of the taxation system?

[Abdukhadyrov] This is not so simple. To guarantee a high interest rate on deposits, the state has to be solvent. This means that we have to sell the population's money at as high a price as possible; that is, to find quickly repaying investment projects. Only in this way will we be able to raise interest rates. I would also like to point out that the Ministry of Finance is not going to restrict the amount of cash in circulation for long. This is a temporary measure necessitated by the fact that during the period of parallel circulation of soms and som coupons the volume of withdrawal of the latter lagged behind the volume of issue of the former.

[Question] Are you planning a reform of the taxation system?

[Abdukhadyrov] Yes, it is common knowledge that with lower taxes more money may be coming to the budget. This is why we will be gradually lowering tax rates and expanding the taxable base. For instance, we are planning to introduce new excise duties on some imported goods. The VAT has been lowered from 25 to 20 per cent.

[Question] Financial stabilization is an instrument of economic restructuring. In this sense we would like to know what policy the Cabinet of Ministers is pursuing with respect to unprofitable enterprises.

[Abdukhadyrov] There are different reasons for unprofitability. Currently, the most typical one is that enterprises produce goods that most of the population cannot afford. You should take into account the fact that most of the enterprises are state owned. The Cabinet of Ministers' point of view is this: if an enterprise is vitally important to the national economy, it will get all-round support through preferential taxation, crediting, and direct budgetary subsidies. But each separate case will require an individual approach. An agreement on recovery will be concluded with the administrations of enterprises for a certain period of time. If during this

specified period of time the administration secures the enterprise's financial recovery, it will remain at the helm, if not, it will go. Unfortunately, there is no agency implementing the Law on Bankruptcy. That is, there is a head and shoulders, but no legs and arms.

[Question] What are the prospects of solving the problems of mutual settlements with other CIS countries?

[Abdukhadyrov] The problem of settlements with countries with non-convertible currencies is very complicated. The best mechanism is to apply world prices. But to do this, the quality of goods should also be at the world level. In the supply of raw materials world prices can be applied, but in the sale and purchase of finished products in CIS countries they are unacceptable.

There is one more way of approaching this. The states should reach agreement on a conventional commodity whose price will serve as an equivalent. This may be done within the framework of bilateral intergovernmental agreements. The mechanism of clearing is being gradually adjusted. It implies that some domestic commodities will be assessed in terms of world prices and then exchanged for goods from other countries. But this is fraught with the danger of unequal exchange, especially with respect to an individual producer and consumer. Settlements on interstate deliveries are becoming more and more popular. Under this system, goods are sold at world prices, and other goods then purchased with this money. This way it is easier to observe equivalent exchange than under the clearing system. In the future, we will be gradually moving towards settlements at world prices, while restricting barter and clearing.

[Question] One final question: How are Uzbekistan's relations with international financial organizations?

[Abdukhadyrov] During a transition period, every government wants to support its economy with foreign credits; this provides the possibility of attracting capitals and delaying their repayment. The main thing is how to use such credits. It is highly inadvisable to spend the money on purchasing food and clothing. The best option is to invest it in the most effective sectors, profitable projects and manufacture of export-orientated products.

International financial institutions lend money on certain terms. Their attitude to borrowers reminds one of a surgeon who does not feel the pain his patient is experiencing. They pay no attention to institutional difficulties, local mentality, and the absence of a material base for swift reforms. They disregard the fact that prices on imported goods will soar as a result of such policies. Nevertheless, Uzbekistan is trying to deal with international financial institutions on a confidential basis, follow the rules of world fiscal policies and translate into life their recommendations on tax, banking and monetary regulation.

We differ with the IMF in our points of view on the pace and methods of reforms; they are identical on strategy

and tactics. We have rich natural and human potential, and the standards of international financial institutions do not always suit us. Our people's mentality is different from theirs, as well as our production structure. For instance, we cannot stop subsidizing prices on bread, nor can we restrict the size of pensions, with 2.5 million pensioners in the country.

[Question] Thank you for the interview. We wish you, our government, and all of us success in implementing the economic reforms.

Karimov Scores Officials Over Winter Preparations

*LD2309181794 Tashkent KHALQ SOZI in Uzbek
22 Sep 94 p1*

[Text] A meeting of the Cabinet of Ministers was held on 21 September. The heads of ministries, government departments, state committees, associations and corporations, the heads of the Council of Ministers of the Republic of Karakalpakstan, and the heads of administration of the regions and the city of Tashkent took part in the meeting. Matters relating to gearing up the national economy for the winter season were discussed. The meeting was chaired by Uzbek Prime Minister Abduhashim Mutalov. Uzbek President Islam Karimov took part in the meeting. In his speech he stressed the importance of all items on the agenda for every sector of the national economy.

"Every year it is only when winter starts knocking on our door that we begin thinking about preparing for it,"

Islam Karimov said. "Yet the same problems worry our population each year. Sometimes it is a shortage of coal, sometimes the hot water pipes are out of order, the electric lighting does not work, or public transport grinds to a halt. Why does it happen? Why are those leaders who are responsible not aware of their duties? Shouldn't the heads of administration think about people's needs beforehand?"

The president emphasized that the work done by the administrations of the regions and the city of Tashkent, the Council of Ministers of the Republic of Karakalpakstan, the ministries, government departments, institutions and organizations to prepare for the winter season is still inadequate. The responsible leaders were assigned the task of carefully analyzing the process whereby preparations are made for winter, and for completing these preparations on time.

On the president's instructions a commission was set up under the Cabinet of Ministers, and its members visited local areas to study the state of preparations for winter. Deputy Prime Minister Kayim Haqqulov reported back on the results of the commission's work.

Power and Electrification Minister V. Otayev, Housing and Municipal Economy Minister Viktor Mikhaylov, Kumor joint-stock company director A. Leleko, Uzbek-birlashuv chairman B. Abduganiyev and others gave briefings on the preparations for winter in their areas. The necessary decisions were adopted on the matters discussed.

Armenia

Presidents Reconfirm Stance on Cease-Fire

NC2909152094 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 1004 GMT 29 Sep 94

[Text] Yerevan ("AZG" daily), 09/29/94—On September 27 RA [Republic of Armenia] President Levon Ter-Petrosyan met the Azeri President Geydar Aliyev in the UN Representation to the United States.

Leaders of the two countries confirmed their intention to keep the cease-fire and noted importance of both CSCE and Russian mediation.

On the same day Levon Ter-Petrosyan met Chairman of the CSCE Minsk group Jan Eliasson. The latter noted that CSCE is currently implementing a project on creation of multinational peacekeeping forces, and a delegation of the CSCE Minsk group will visit the region soon. There is a possibility that the delegation will stay there for rather long period, and will accept the status of CSCE observers.

RA Foreign Minister Vahan Papazyan met Turkish Foreign Minister Mumtaz Soysal in New York on September 27. Papazyan raised the problem of Armenian blockade by Turkey. Soysal presented the official position of its country, demanding withdrawal of armed forces from the occupied territories and signing a political agreement in return for lifting the blockade.

Gas Supplies Resumed; Bagratyan Warns Georgia

LD2909142394 Moscow ITAR-TASS World Service in Russian 1340 GMT 29 Sep 94

[By ARMENIAPRES correspondent Nana Togoshvili for TASS]

[Text] Yerevan, 29 Sep—As of today gas supplies to Armenia have been resumed. In the morning the volume of the gas supplied was at its minimum - under 100,000 cubic meters an hour. However as stated by Turkmen Deputy Prime Minister Redjeh Saparov, who was in Armenia on a working visit, 5 million cubic meters will be supplied to the republic as agreed. The whole amount of the Turkmen gas will be used for the production of electricity; 2.5 million cubic meters will be supplied to factory production lines.

According to the Armenian Prime Minister Grant Bagratyan, in the event that intergovernmental agreements and economic agreements on the transportation of gas to Armenia are broken, fines will be imposed on Georgia. This will ensure that there will be no losses of gas while it is being transported via Georgian territory, he said. Armenia will pay Turkmenistan in currency and decorations manufactured in gold at the Yerevan jewelry producing factory.

Azerbaijan

Assembly Deputy Speaker, Intelligence Chief Killed

TA3009061994 Ankara TRT Television Network in Turkish 0600 GMT 30 Sep 94

[Announcer-read report]

[Text] Afettin Dzelilov, Azerbaijani assembly deputy speaker, has been killed in an armed attack in Baku. Two more persons were killed in the incident. Azerbaijani Turkish Agency reports that Dzelilov was attacked by unidentified armed assailants around 2130 last night. Akif Aliyev, chief of the military intelligence department, who was with Dzelilov, and the driver were also killed.

Azerbaijani President Geydar Aliyev, who is on an official visit in the United States, is expected to return to the country today.

ITAR-TASS Reports Assassination

LD3009082494 Moscow ITAR-TASS in English 0803 GMT 30 Sep 94

[By ITAR-TASS correspondents Sevindzh Abdullayeva and Viktor Shulman]

[Text] Baku September 30 TASS—Afettin Dzelilov, deputy chairman of the Azeri Supreme Soviet (parliament), died of bullet wounds last night at a Baku hospital without regaining consciousness. According to one of the versions, he was shot dead by submachine-gun fire last Thursday at the entrance of his house, when he was going home from his office.

An officer on duty at the Interior Ministry of Azerbaijan told ITAR-TASS today in the morning that Dzelilov's driver had also been killed. The calibre and the class of the weapon from which they were killed have not yet been established. The number of the criminals is not known either. The officer on duty believes that the double murder could be committed by one person as well. The case is being investigated.

Some people regard the murder of Dzelilov, 48, as a political assassination. He had the reputation of being a consistent supporter of the incumbent president of the republic. When Geydar Aliyev was in disgrace, Dzelilov remained loyal to him. Some time ago he headed the Nakhichevan Autonomous Republic and later led the Azeri delegation at talks on the settlement of the Nagorno-Karabakh problem.

The Azeri president, who is now in New York where he is attending the U.N. General Assembly session, may interrupt his visit and return to Baku today.

TURAN Reports Assassination

NC3009084694 Baku TURAN in English 0654 GMT 30 Sep 94

[Text] Baku, September 30 (TURAN)—Yesterday at 21:30 p.m. there was an attempt on life of Vice Speaker of Azeri Parliament, Afettin Dzelilov.

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His neighbours say that Afettin Dzelilov drove up to his house, which is situated on Hajibekov 37/4 street, and together with his driver made his way to the entrance. A hired assassin has been already waiting for him there. That assaultee (or several assaultees) fired at Vice-Speaker and his driver with a .45-70 pistol. The Vice-Speaker and his driver were seriously wounded and were taken to the hospital where Afettin Dzelilov deceased.

The assaultees have not met with resistance since Afettin Dzelilov always walked without body-guards. He liked to walk in the evenings or do jogging in the morning alone.

TURAN'S NOTE: Afiyaddin Dzelilov occupied the office of Vice-Speaker of Azeri Parliament under three Presidents. He was born in Nakhichevan. Previously he worked in the Central Committee of Communist Party of Azerbaijan, headed Nakhichevan's Committee of Communist party, then he was the State Adviser of Ayaz Mutalibov. He is a careful politician and did not take place in harassment of his political opponents. In May, 1994 he refused to sign the Bishkek Protocol, saying that it is an official recognition of the so-called Nagorno Karabakh Republic.

Official Queries Russian Stance on Oil Deal

LD2909193994 Moscow INTERFAX in English 1724 GMT 29 Sep 94

[Text] Baku does not consider the statements by Russian Foreign Minister Andrey Kozyrev and the head of the Russian Foreign Ministry information and press department, Grigoriy Karasin, as Russia's official position as to Azerbaijan's signing of a contract with a number of western oil companies, Azerbaijani Deputy Foreign Minister Albert Salamov told Interfax Thursday.

"No official words on this subject have come from the Russian side so far," he pointed out.

Shortly after the contract on the exploitation of oil sites on the Caspian shelf was signed, Kozyrev and Karasin stated that the document failed to take into account Russia's interests and that Moscow would not recognize it.

According to Salamov, Russia expressed its attitude to the contract by sending a government delegation, including a representative of the Fuel and Energy Ministry, to the signing ceremony in Baku on September 20.

Salamov believes that the statements by Kozyrev and Karasin and the presence of Russian officials at the signing ceremony were evidence of their poor coordination of activities.

Salamov recalled the fact that the Russian oil company LUKoil, whose controlling share belongs to the state, was directly involved in the implementation of the contract. LUKoil's share in the project was 10

preceded by those of State Oil Company of Azerbaijan, of British Petroleum and of U.S. Amoco.

In the meantime, an Azerbaijani government oil expert, Rasim Dadashev, told Interfax that it was senseless to talk about the validity of the 1940 Soviet-Iranian treaty on the status of the Caspian Sea when the Soviet Union had broken up. Today all Caspian countries must sign a new agreement on the issue, Salamov said.

Interests in Oil Deal, Prison Escape Linked

LD2909194694 Moscow INTERFAX in English 1733 GMT 29 Sep 94

[From the "Presidential Bulletin" feature]

[Text] If it is established that pro-Mutalibov or pro-Moscow forces are behind last week's escape from a Baku prison by former top army officials, this can be seen as Moscow's warning against the government's recent moves, a senior member of the president's office told Interfax speaking on condition of anonymity. He described the major oil deal that Baku struck with a consortium of western companies as being one of them.

The source said Baku was quick to point out that the escape of former Defense Minister Ragim Gaziyeu, his Deputy Baba Nazarli, Commander of Defenses of Lachin Arif Pashayev and head of the self-declared republic of Talysh-Mugan Alikram Gummatov followed a day after the contract was signed. So did Moscow's stern warning to Baku about the violation of Russian interests while striking the deal.

Gaziyeu, Nazarli and Pashayev are accused of surrendering the cities of Shusha and Lachin to Armenian forces in May 1993 while Gummatov of attempting to split the country.

Senior investigator of the security ministry Faik Mirzoyev who was prison officer on duty on that night has also disappeared.

The source described Gaziyeu and Gummatov as being President Geydar Aliyev's strongest opponents. The two had never made secret of having connections with some high-ranking Russian Army officials voicing support for ex-President Ayaz Mutalibov, now living in exile in Russia.

The Azeri president himself in a televised speech the day after the jail break made it clear that Gaziyeu and Gummatov "have always worked for other states sheltering the enemies of Azerbaijan". Many say ex-President Mutalibov was implied. Earlier, the Azeri leader accused Gaziyeu of having links with Mutalibov and betraying Azeri interests.

However, there is also a theory that the government itself had engineered the escape to get rid of "awkward" witnesses to the 1993 events at Gyandj leading to heavy loss of life after violent clashes between government troops and rebel units of incumbent Prime Minister

Suret Guseynov. The government also wants to cover up the circumstances leading to the downfall of Lachin and Shusha.

The press services of the security and interior ministries report no progress in police searches aimed at tracking down the culprits. Security is tightened at railway stations, Baku Metro, airports, bus stations and public places and strict border controls imposed. Members of the security forces increasingly believe that the fugitives are still inside the country, one ministry source told Interfax.

Jailbreak Seen as Threat to State

944K2423A Baku ZERKALO in Russian 24 Sep 94 p 4

[Report by E. Alyoglu: "Escape From the Ministry of National Security Detention Block: Facts and Scenarios. According to Some Reports, the Fugitives Have Already Left Azerbaijan Territory by Military Helicopter"]

[Text] *In the evening hours of 22 September, four defendants—Ragim Gaziyeu, former minister of defense; Baba Nazarli, former deputy minister of defense; Arif Pashayev, deputy chairman of the Popular Front; and Alikram Gumbatov, former leader of the self-proclaimed "Talysh-Mugan Republic"—escaped from the investigation detention block of the Ministry of National Security.*

According to a press release of the General Procuracy of Azerbaijan, Sr. Lt. Faik Mirzoyev, assistant chief of the MNB [Ministry of National Security] Investigation Department, who entered on duty at 2000 hours that same day, is considered to be the organizer of the escape. According to the information of a preliminary investigation, he had sent home Warrant Officer Radzhab Radzhabov, inspector of the detention block, at his request, accompanying to the inspectors' duty room Warrant Officer Rizvan Alishev and Senior Inspector Musa Babayev. After this, F. Mirzoyev, having organized the prisoners' escape, fled together with them. The Procuracy of the Azerbaijan Republic has brought charges on criminal grounds in accordance with Article 185, part 2 and also Article 255, clause "A."

According to the official version, the escape of the four prisoners from the MNB investigation detention block was an action planned in advance by forces both inside the country and outside. According to G. Aliyev, president of the Azerbaijan Republic, this action is directed against Azerbaijani statehood, and these that planned and perpetrated it are enemies of the Azerbaijani people. "The forces that organized the escape will be duly punished," G. Aliyev declared in his evening address to the people on 22 September.

While not possessing precise information, it may, however, be assumed that the attitude of the public toward the fugitives is ambivalent. As we know, one of them—Arif Pashayev, a defendant in the surrender of the Lachin case—is in the eyes of many representatives of the opposition a kind of "martyr for a just cause." Before

his escape, material in defense of A. Pashayev had been published in the opposition news media repeatedly. But, having made his escape, he has completely cut off, it has to be assumed, all paths of retreat and given the power structures new arguments for speaking about him as a "traitor and enemy of the people."

The almost fantastic conditions of the escape have given rise to a whole number of versions partially intersecting and partially contradicting one another.

According to one of them, the defendants escaped on their own, disarming Mirzoyev and taking him hostage. Another version points to the Federal Counterintelligence Service and army intelligence of the Russian Federation as services with a particular interest in the release of the prisoners, among whom there are people that are privy to the idea of the breakup of Azerbaijan from within. This scenario echoes the version of the official structures to the effect that the defendants were "helped" leave by the MNB. There is no doubt that there are many, and not only outside Azerbaijan, that have an interest in these people's escape. They include those that wish to keep dark the facts concerning the surrender of Lachin, Shusha, and Kelbadzhar and the emergence there of the so-called "independent" Talysh-Mugan Republic. Nor is it fortuitous that this incident occurred on the day following the signing of the oil contract between the State Oil Company of Azerbaijan (GNKAR) and the consortium of Western companies.

Nonetheless, even the involvement in this affair of the most esteemed foreign special services does not provide an answer to the question as to how the assistant chief of the investigation department "sent home" an inspector, locked the security officers in their room, and then, descending from the sixth floor accompanied by four persons (a whole group!), left the MNB building just like that. It is known, after all, that numerous security systems, an alarm system, visual observation, and an intercom system have been installed in this building. It is clear that the professionalism and skill of those that organized the escape had to have been felicitously supplemented by the incompetence and sloppiness of the MNB, which has as of late been overly enthused with numerous conferences that have increasingly smacked of posturing.

The fugitives' final destination will most likely be Russia. Without any particular involvement, neighboring countries would not accept such guests, on account of whom there would subsequently be a heap of trouble. Iran, Turkey, Georgia, Turkmenia [Turkmenistan], or Kazakhstan have revealed no such particular interests thus far. The fugitives themselves would hardly choose Armenia as a refuge.

But, in speaking of Russia, we should not necessarily refer to Moscow. The fugitives' whereabouts will most likely prove to be the North Caucasus, which is torn by interethnic conflicts (according to certain information, all four accused left the territory of Azerbaijan by a

military helicopter, which was headed in precisely that direction) and where it is easiest to "lie low."

But it may be assumed that the corpses of all the fugitives will be found after a certain length of time since these people know too much about the events that preceded the surrender of many areas of Azerbaijan, and they are in the way both of outside forces and intrarepublic backstage conductors.

Premier Receives Turkmen Delegation

NC2909191794 Baku Azerbaijan Radio Televiziya Television Network in Azeri 1600 GMT 29 Sep 94

[Text] Prime Minister Suret Guseynov last night received a Turkmenistan Government delegation that is on a working visit to our Republic. Our correspondent reports:

[Begin correspondent Kamal Serveroglu recording] Before discussing the main problems of cooperation with Turkmenistan, Prime Minister Suret Guseynov briefed the guests on the socio-political situation in our Republic. He drew attention to the material and moral losses resulting from the war that Azerbaijan has been forcibly dragged into. The prime minister noted that over 20 percent of Azerbaijan's territory has been occupied since the war started six years ago. There are hundreds of thousands of refugees. Now the war has been brought to an end and complete calm has been prevailing on the fronts for the past four months. Both sides are observing the cease-fire agreement. Giving precedence to the peaceful resolution of the conflict, Guseynov also explained the position of the Republic's leadership. He noted that we appreciate the efforts of both the CSCE and Russia.

Later Guseynov discussed the prospects for cooperation with Turkmenistan. He noted the importance of broadening economic and political ties and improving the countries' friendly relations. He touched on problems connected with oil and gas transport and the supply of other products.

Valeriy Otchertsov, deputy prime minister and head of the Turkmenistan delegation, reiterated the need to improve cooperation and put forward several proposals. He noted the need to hold such meetings to solve difficulties in oil and gas transport. He noted that his delegation's inclusion of leading experts in this field pursues this aim.

Other issues of mutual interest were also discussed at the meeting. [end recording]

Mamedov, Turkish Ambassador Visit Nakhichevan

NC2909201494 Baku Azerbaijan Radio Televiziya Television Network in Azeri 1900 GMT 29 Sep 94

[Text] Azerbaijani Defense Minister Mamedrafi Mamedov visited Nakhichevan. He visited our National

Army's military units stationed in Nakhichevan to check their combat readiness. The defense minister was received by Namik Gasanov, chairman of the Supreme Assembly of the Nakhichevan Autonomous Republic.

Namik Gasanov also received the Turkish Ambassador to Azerbaijan Altan Karamanoglu the same day. Prospects for enhancing the steadily developing relations between Turkey and Nakhichevan were examined at the meeting. The ambassador praised the agreement signed between the State Petroleum Company of Azerbaijan and the Western oil consortium and announced that this deal will play an important role in achieving peace in Karabakh.

Guseynov Talks With Turkmen Team; Oil Deal Viewed

NC2909204394 Baku TURAN in English 1348 GMT 29 Sep 94

[Text] Baku (September 29) TURAN: "We have to help each other to overcome severe difficulties after the destroy of the USSR," told yesterday Suret Guseynov, Azerbaijan's prime-minister during his meeting with Turkmenistan delegation headed by Deputy Cabinet Valeriy Otchertsov. The delegation arrived in Baku for discussing issues in respect of the mutual calculations of natural gas delivery to Azerbaijan.

Suret Guseynov noted that there will be no problems in payment for the delivery, having thanked for gas deliveries to Azerbaijan.

Valeriy Otchertsov, in his turn, noted that latest resolution of the Azeri Government considerably solved the problem of Azerbaijan's debts to Turkmenistan, that let to increase the volume of gas deliveries from Turkmenistan by two times. "Turkmenistan is ready to provide a growing demands of Azerbaijan for the winter period," noted he.

The specialists of both countries are working out the schedule of gas deliveries in October and December for the current year. Otchertsov noted that the issue concerning clearing deliveries to Turkmenistan the products for industrial and technical purposes at the price 10 dollars for 1000 cubic feet of gas needs the direct interference of Azeri premier. Then the meeting was held behind the closed doors.

Turkmenistan's Minister of Gas and Oil Khelim Ishanov refuted the information of some sources about stop of Turkmenistan gas delivery to Azerbaijan, as groundless.

Turkmenistan delivers to Azerbaijan and Armenia approximately 1 billion and 3 billion cubic feet of gas, according to him.

"Azerbaijan asks to increase the volume of gas deliveries in 1995 up to 3.5 billion cubic feet. Turkmenistan agreed to fulfill that request," noted Ishanov.

In the whole the product of machine-building in Azerbaijan total 50

according to calculations, the rest part consist of oil products.

Responding the question concerning the oil contract signed in Baku on September 20, Turkmenistan's Minister said: "It should be admitted that the Caspian sea belongs to five countries—Russia, Kazakhstan, Turkmenistan, Azerbaijan and Iran. That is why all problems of the Caspian sea, as well as operation of its resources should be jointly studied by the involved countries. "Basin of the Caspian sea is unique and should be preserved, so the consent is to be find out." Ishanov noted that he was not aware with the content of the contract, so he could not express his attitude.

Third Border Crossing Opens in Nakhichevan

NC2909205194 Baku TURAN in English 1342 GMT
29 Sep 94

[Text] Baku (September 29) TURAN—New passage-control point "Shakhtakhty" is opened in Sharur region of Nakhichevan Autonomous Republic (on Iranian-Azerbaijani border).

The press-service of Azerbaijan's Ministry of National Security reports that in accordance with the agreement between Azerbaijan and Iran, five passage-control points will be opened within the period of three years.

Two passage-control points "Dzhulfa" and "Nekhram" have been already opened in Nakhichevan.

The Chief of "Shakhtakhty" passage-control point told "Serkhed" ("Border") newspaper that only pedestrians can cross this point. They are permitted to stay in Iran for 15 days and move not more than 45 kilometres in Iran's territory.

The head of the press-service of Supreme Majles of Nakhichevan Autonomous Republic told TURAN that in the conditions of Armenian blockade, these passage-control points will help to provide the population with food products.

Georgia

Heated Exchanges Over Confidence in Shevardnadze

LD2909213994 Moscow INTERFAX in English 1901
GMT 29 Sep 94

[Text] The consideration of confidence in Georgian leader Eduard Shevardnadze turned into an exchange of mutual accusations between the opposition and the parliamentary majority Thursday. An Interfax correspondent reported from Tbilisi that during a passionate discussion the deputies forgot the main issue and virtually no one from the opposition demanded that Shevardnadze should resign.

The only exception was a speech by former Prime Minister Tengiz Sigua who blamed Shevardnadze for the defeat in Abkhazia and South Ossetia, collapse of the economy, failure of economic reforms launched in 1992, etc.

Immediately, the parliamentary majority responded to Sigua's speech by accusing him and former Defense Minister Tengiz Kitovani of abuse of office.

In particular, deputies cited facts that Sigua had pocketed several millions of dollars from the republican budget, while Kitovani sold the bulk of former Soviet arms and equipment abroad.

In his address to Shevardnadze, deputy Vakhtang Asatiani pointed out that "the opposition cannot offer him any resistance, it may only get on his nerves."

The Georgian parliament will continue its session Friday when Shevardnadze is expected to make a speech.

Demand for Shevardnadze Resignation Viewed

LD2909132294 Moscow INTERFAX in English 1139
GMT 29 Sep 94

[Text] The faction of the Constitutional Monarchist Party reiterated its demand for Eduard Shevardnadze's resignation on Thursday.

A representative of the party stated that the opposition did not want to destabilize the situation in Georgia, but Shevardnadze's resignation was a must for Georgia's prosperity.

The monarchists proposed, however, that the debates on confidence in Shevardnadze be put off until Shevardnadze returned from the U.N. General Assembly. They read out their statement which says that Shevardnadze's presence in the U.N. was in Georgia's interests.

Representatives of the pro-Shevardnadze parliamentary majority described the monarchists' statement as extremely cynical. Majority leader Zurab Zhvania said that the opposition was engaged in a populist struggle for power. He also said that the demands for the Georgian leader's resignation were an attempt to carry out a state coup, because Shevardnadze's resignation would cause complete chaos and vacuum of authority which will play into the hands of the opposition.

In the opinion of Deputy Dzhaba Ioseliani, who is the vice-chairman of the Emergency Coordinating Commission, Shevardnadze will not resign. "If this still happens, a dictatorship will be established in Georgia," he told journalists on Wednesday. "I can tell you sincerely that I will take an active part in the dictatorship, because I will not allow anyone to plunge Georgia into chaos or civil war again," he said.

He pointed out that no special importance should be attached to the opposition attacks on Shevardnadze.

"They have always been attacking him. But from the political point of view, it is just a storm in a tea cup," he added.

Demand for Resignation Rebuffed

NC2909204494 Yerevan SNARK in English 1326 GMT 29 Sep 94

[Text] Tbilisi, September 29 (SNARK)—The leader of Juristic Commission of Georgian Parliament, Shalva Natelashvili, accused today the opposition forces of illegal activities connected with their demand on the resignation of Eduard Shevardnadze.

In his exclusive interview to SNARK he said, that in order to carry out this question for the discussion of the parliament, they need 55 signatures of the deputies and after that vote. According to Natelashvili, the parliament is not obliged to discuss such a serious question on the basis of the emotional demands of separate deputies, which was put forward in an incorrect manner. By the view of the chairman of the commission, the radically minded opposition is not concerned with the faith of the state and the nation, which are ready to bare any hardships. Mr. Natelashvili thinks, that they are only interested in government ranks.

Meanwhile, during today's parliament session, the deputies started the discussion of the question of the head of the state. Eduard Shevardnadze is expected to address at the evening session. On September 28 he informed the journalists, that the question of his resignation depends on how well-reasoned will be the arguments of the opposition, accusing him of handing over Sukhumi and of massive proscription of Georgian population from Abkhazia.

Georgian Public, Ajaria Against Resigning

LD2909123994 Moscow ITAR-TASS in English 1139 GMT 29 Sep 94

[By unidentified correspondent of the Georgian news agency GIA for TASS]

[Text] Tbilisi September 29 TASS—"Eduard Shevardnadze's resignation from the post of head of state may trigger off a civil war in Georgia," said Aslan Abashidze, speaker of the Ajarian Parliament. He also said that Shevardnadze's refusal from addressing the United Nations will most probably have negative consequences for Georgia.

Meanwhile leader of Georgian monarchists, member of parliament Temur Zhorzholiani, who announced an indefinite fasting on September 27 demanding that Shevardnadze resign, said he intends to continue fasting. At the same time, he said he will be present at all parliamentary meetings and will participate in all debates.

Georgian public believes it is inexpedient for Shevardnadze to resign as head of state at a time when the course assumed by the present leadership should be carried

through. This opinion was expressed on Wednesday when Shevardnadze met with prominent scientists, workers in art, representatives of parties and political organisations.

Answering questions from reporters, Shevardnadze said his decision to resign depends on the seriousness of arguments in its favour that will be produced by the opposition. He said he had never been against submitting the question of his resignation to the parliament. Asked if he is going to address the United Nations, Shevardnadze said that the Georgian delegation to the United Nations will be headed by Foreign Minister Aleksandre Chikvaдзе.

Talk of Abkhaz Refugees' Return 'Premature'

MM2909135094 Moscow TRUD in Russian 29 Sep 94 p 2

[Report by Igor Chernov: "Will Refugees Return to Abkhazia?"]

[Text] Sochi—The eighth routine sitting of the commission for problems of returning refugees and displaced persons to Abkhazia was held in Sochi yesterday. A day earlier representatives of Georgia, Abkhazia, Russia, and the United Nations visited Galskiy [as transliterated] district in Abkhazia, where it is planned the refugees are to return.

According to A. Nikiforov, leader of the Russian part of the commission and a Russian Federation Foreign Ministry official, there is relative calm in Galskiy district, but it would be wrong to claim a 100-percent guarantee of safety. The refugees who have returned home at their own risk spoke of terrorist groups' infiltrating Abkhazia every day from the opposite bank of the border Inguri river. Unfortunately these words were confirmed the same day. The Abkhazian Ministry of Press and Information reported that a group of unknown people had fired at a militia office in the village of Nabakevi using grenade launchers and assault rifles, and three militiamen were wounded. And not far from the village of Mukhuri a UAZ vehicle in which workers from the administration of the population center of Okumi were traveling drove into an ambush set up by terrorists. Eight people were killed.

Evidently it is still premature to talk about starting the organized return of refugees. Several factors are hindering this: The operation to squeeze Georgian armed formations out of the Kodori Gorge has been postponed; differences of opinion have emerged concerning Georgian police participation in patrolling villages in Galskiy district (naturally the Abkhazians are opposed to this); and another political crisis is brewing in Tbilisi. If that comes to a head, all previous agreements between the conflicting sides could burst like soap bubbles.

Refugees To Return to Abkhazia Later Than Planned

LD2909140194 Moscow INTERFAX in English 1139 GMT 29 Sep 94

[Text] Georgian refugees will start returning to Abkhazia somewhat later than October 1, as originally planned. The Abkhaz authorities will start processing their files. An understanding on this was reached by a commission on refugees at its meeting in Sochi Wednesday, Tengiz Sharmanashvili, a Georgian representative, said on Georgian television Thursday.

At the first stage the refugees will return to the town of Gali, he explained.

He said that Georgian and Abkhaz officials had adopted a document on guarantees for the refugees returning to the Gali District.

Sharmanashvili went on to say that returning Georgian refugees, as well as Abkhazians, will work in the police, military commandant's office and security bodies of the Gali District.

The commission also agreed to set up a quadrilateral committee to supervise the return of refugees.

Russian General Transferred Following Complaints

LD2909135794 Tbilisi IBERIA in Georgian 1215 GMT 29 Sep 94

[Text] Tbilisi, 29 Sep— In response to intense demands by the Abkhaz side, General Potapov, who had been supervising Russian peacekeeping forces deployed in Rukhi village, has been transferred to the Tbilisi headquarters of the Russian troops deployed in Georgia. Abkhazians are accusing General Potapov of a biased attitude and of support for the Georgians.

Four Militiamen Killed in Gali Rayon

LD2909155294 Moscow ITAR-TASS World Service in Russian 1411 GMT 29 Sep 94

[By ITAR-TASS correspondent Irina Shchegoleva]

[Text] Sochi, 23 Sep—Four Abkhaz militiamen have been killed as a result of a terrorist act in the zone of deployment of peacekeeping forces in Galskiy [Gali] Rayon in Abkhazia. According to information received by an ITAR-TASS correspondent at the Abkhazian Press and Information Ministry, a patrol car of Abkhaz militia was fired at from an ambush near the village of Otobay.

According to the ministry's officials, a Georgian sabotage-terrorist group was responsible for the attack.

Police Car Ambushed

NC2909215994 Yerevan SNARK in English 1413 GMT 29 Sep 94

[Text] Sukhumi, September 29 (SNARK)—A terrorist act by Georgian subversive group against police took place today in Galsk region of Abkhazia.

The police car was gunned from ambush in the region of peace-keeping forces' dislocation in Otobai village. SNARK has been told at the Internal Affairs Ministry in Sukhumi. As a result, 4 persons were killed.

Recently, a division of Galsk region's police was fired upon from a machine gun and grenade cup discharger in Nabakevi village (the division is sited near the post of Russian peace-keeping forces).

Today Abkhazian Ministry of Press and Information has expressed its protest in connection with activation of the Georgian subversive group activity in Abkhazia.

Abkhaz Police Commit 'Outrages' in Gali

LD2909220194 Moscow ITAR-TASS in English 1938 GMT 29 Sep 94

[By ITAR-TASS correspondent]

[Text] Moscow September 29 TASS—The situation in the Gali region in southern Abkhazia has been aggravated dramatically.

A bus with passengers was shot near the village of Mukhoye on Tuesday, a spokesman for the Russian Defense Ministry told TASS on Thursday. Eight civilians were killed in the incident. In response, local authorities ordered Abkhazian policemen to comb the region in search for armed gangs and to tighten control at the Georgian-Abkhazian border between Russian peace-keeping troop posts.

Four Abkhazian policemen were shot dead at about 8:00 on Thursday morning near the village of Nabakevi, not far from the Georgian border, a spokesman for Russian peacekeeping troops in Abkhazia said. They were killed when their patrol car was ambushed. In retaliation for this action, Abkhazian policemen raided the region, committing numerous outrages.

At about 15:00 on Thursday, Russian peacekeepers saw fires and heard shooting near the village of Gagida, which still continued at 18:00.

According to the spokesman, drunken Abkhazian policemen plunder local residents, taking away their cattle. One child is reported to be killed and one man to be wounded as a result of these offences.

Abkhazians Accuse Georgians of Subversive Activities

LD2909201994 Tbilisi First Program Television Network in Georgian 1700 GMT 29 Sep 94

[Text] The Abkhazian Ministry of Information and Publishing reports that on 27 September three separate subversive acts occurred in Gali Rayon. Eight people died when an UAZ-type van was fired at on Gali highway. The militia station of the village of Nabanakevi came under grenade-launchers' fire from four directions.

Three militiamen were wounded. Later that day, a vehicle belonging to the Gali Rayon Militia was fired at from automatic guns.

The Abkhaz side blames the Georgian side for all these incidents. The Abkhazian Security Service has made a statement alleging that about 2,000 members of the Rescue Corps are massing in the Zugdidi Rayon village of Kurcha and are carrying out subversive activity on Abkhazian territory.

New CSCE Mission Head Visits Defense Ministry

LD2909200394 Tbilisi Radio Tbilisi Network in Russian 1610 GMT 29 Sep 94

[Text] Major General Guram Nikolaishvili, first deputy Georgian defense minister, today met the new head of the CSCE mission in Georgia, Brigadier General Palmizano, his predecessor, Colonel Marchinkovski, and a member of the mission, Major Martini.

Nikolaishvili raised the issue of CSCE participation in the settlement of the Abkhaz-Georgian conflict. The visitors said that there existed a distribution of functions between their organization and the United Nations. They also reported that the mission intended to open its office in Abkhazia.

In Gen. Palmizano's words, the inviolability of state borders and the nations' right for self-determination are the CSCE's main principles.

He also said that the Ossetian party demanded more active intervention by the CSCE mission in the negotiations between Russia and Georgia.

The visitors offered assistance in training officers for peacekeeping forces of the Georgian Defense Ministry. Certain measures have been planned in this connection.

Industrial Output Down in 2d Quarter

AU2909125794 Tbilisi THE GEORGIAN TIMES in Georgian 21-28 Sep 94 p 3

[Unattributed report: "Industry"]

[Text] According to the July figures, industrial production in our republic amounted to 34,643.7 billion coupons according to current prices. In comparison with the corresponding period last year, output has decreased by 49.5 percent.

In the second quarter of 1994, compared with the first quarter, output fell by 25 percent.

Out of 94 of the most important types of goods, in January-June 1994, compared with the corresponding period last year, in physical terms, there was an increase in production of seven types of goods, a fall in production of 77 types of goods, while 10 types of goods were not produced at all.

There was an increase in the extraction of manganese ore and the production of medicinal remedies, stationary, woolen yarn, unskimmed milk, and soap.

In January-June 1994, in comparison with the corresponding period last year, production of stock-produced rolled products fell by 49,200 metric tons (57.4 percent), steel pipes by 28,300 metric tons (60.3 percent), electric power by 1,676,000 kwh (31.3 percent), metal-cutting machine tools by 165 pieces (69.0 percent), cement by 71,000 metric tons (65.1 percent), and so forth.

During the first six months of this year, compared with the corresponding period last year, the number of persons employed in industry fell by 32,700 or 16.2 percent, while the output of one worker fell by 39.8 percent.

Latvia

Ratification of Military Agreements Postponed

LD2909131994 Riga Radio Riga Network in Latvian
1100 GMT 29 Sep 94

[Text] Taking into account a recommendation from the Foreign Affairs Commission, the Saeima plenary session today postponed consideration of the Latvian-Russian agreements on army withdrawal signed in Moscow on 30 April this year. The Saeima Foreign Affairs Commission recommended the Saeima to postpone the consideration of the agreements in order to establish whether the Russian side complies with conditions of several clauses of the agreements.

As Aleksandrs Kiršteins, chairman of the commission reports, according to the agreements, disbandment of military units and discharge of military personnel in Latvia after 28 January 1992 cannot be considered the withdrawal of Armed Forces. According to information at Kiršteins' disposal, 7,000 Russian military have been discharged on Latvian territory since the above-mentioned date. In addition, Latvia cannot consider and ratify the agreement between Russia and Latvia on social security for Russian military pensioners and members of their families residing on Latvian territory—included in the package of the agreements—either, because a precise list of the discharged military has not yet been submitted to the Latvian side.

Further on Postponement

LD2909201894 Moscow INTERFAX in English 1733
GMT 29 Sep 94

[From the "Presidential Bulletin" feature no. 189 (679):
Compiled by Nikolay Zhrebtsov, Andrey Petrovskiy;
edited by Vladimir Shishlin]

[Text] The ratification of agreements with Russia on the withdrawal of Russian troops from Latvia which Guntis Ulmanis and Boris Yeltsin signed in Moscow on April 30 has been postponed until October 20.

The decision was made by a full scale session of parliament on Thursday morning. It was proposed by the parliamentary commission for foreign affairs and drew no objections.

Commission chairman Aleksandrs Kiršteins said that the dissolution of Russian army units after January 28 1992 and the demobilization of servicemen in Latvia cannot be regarded as the full withdrawal of Russian troops from Latvia.

He also said that according to Latvian sources more than four thousand demobilized servicemen remained in Latvia after August 31 contrary to bilateral treaties. Besides, the commission still has no exact lists, officially authorized by both sides, of those residents of Latvia who receive pensions from the Russian Defence Ministry.

Commission member, leader of the Lithuanian parliament's biggest parliamentary faction "Latvian Way" Indulis Berzins, too called for putting off the ratification of the treaties, however, for a different reason. He said the question must be considered at the same time with Russia's State Duma, whose session will begin on October 5. Besides, he believes that the discussion of that issue must be monitored by President Guntis Ulmanis, who is now in the United States on a visit.

At the same time Berzins said that "we would like Russia to have no doubts we are prepared to consider that issue".

Foreign Minister Valdis Birkavs, who accompanies President Ulmanis in his visit to the United States, has repeatedly said that parliament should ratify agreements with Russia at an early date, a condition on which the United States would extend \$7,000,000 dollars to finance the dismantling the radar at Skrunda.

IF Note: Under the achieved agreements the radar at Skrunda will remain operational for the next 5.5 years. The last 18 months will be spent on dismantling the facility with likely assistance from foreign countries.

A reaction from the President Ulmanis and Foreign Minister Birkavs to parliament's decision will be known on Friday, after their return from the United States.

In the meantime a mixed Latvian-Russian commission for monitoring the implementation of agreements is scheduled to meet in session in Riga on Friday. It will specify debts of the Russian army to local authorities for heating, electricity and other services and discuss the question of army servicemen demobilized after January 28.

IF Note: Russia presented a list of 1,115 such persons and asked Latvia to prolong their temporary residence permits until the end of the year and promised to find housing for them at home by that deadline.

Lithuania

Slezevicius Denies Sending Arms to Chechnya

LD2909144794 Vilnius Radio Vilnius Network in
Lithuanian 1300 GMT 29 Sep 94

[Excerpts] A news conference of Prime Minister Adolfas Slezevicius was held today in the government house. Here are details of the conference in a telephone interview for our program by the government press attache, Vilius Kavaliauskas:

[Begin recording] [Kavaliauskas] At today's news conference, Prime Minister Adolfas Slezevicius mostly dealt with the regulations of transporting dangerous military cargoes through Lithuania. As you know, they were finally endorsed at a government meeting yesterday. Some corrections were made, paying attention to

remarks by a corresponding Seimas committee, experts, etc. They will come into force after their publication. [passage omitted]

The prime minister said that in about a month's time a corresponding agreement will be prepared, and if this agreement is signed, the Russian Federation will recognize these regulations and apply them in its transportations. [passage omitted]

One must bear in mind there will be no armed protection by the country sending dangerous cargoes. These cargoes will be accompanied by a military escort of the Lithuanian Armed Forces.

[Announcer] Of course journalists have been asking many questions. Which of these questions sticks in your memory?

[Kavaliauskas] Maybe a question by the Lithuanian TV asking for comment on reports alleging that Lithuania was preparing to send some arms to Chechnya. This was connected with the fact that several Lithuanians have been arrested in Chechnya who were fighting on one of the sides. The prime minister said that the Lithuanian Government was not bearing any responsibility for citizens who are interfering in military conflicts in some

countries. He categorically denied rumors that the Lithuanian special services or the Lithuanian Government were linked with some plans to send armaments. This is completely untrue, this is disinformation. [passage omitted] [end recording]

Visas No Longer Required of U.S. Citizens

LD2909112194 Vilnius Radio Vilnius Network in Lithuanian 1000 GMT 29 Sep 94

[Text] The Lithuanian Government has unilaterally abolished its visa regime to U.S. and Australian citizens coming to Lithuania on visits lasting up to 90 days per year or travelling through Lithuanian territory on transit, ELTA reports.

In view of the Foreign Ministry, this step will help develop friendly relations with the United States and Australia and make easier the conditions of the emigres arriving in Lithuania. It should also help to increase the number of tourists, as well as investors, arriving from these countries to Lithuania.

Citizens of 26 countries may visit Lithuania or travel through its territory with Latvian or Estonian visas.